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Reportage on ASEAN-EC Ministerial Meeting

Mahathir Opens Meeting

BK1602045990 Kuala Lumpur BERNAMA in English
0355 GMT 16 Feb 90

[By Salbiah Said]

[Text] Kuching, Feb 16 (BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed Friday [16 February] called on the European Community (EC) to create opportunities for ASEAN countries to participate in the reconstruction and development of Eastern Europe and other regions. To do this, the EC could bring together businessmen and business opportunities in a three-way link-up between Western Europe, Eastern Europe and ASEAN, he said when opening the 8th ASEAN-EC ministerial meeting here.

It could also help by ensuring that its single market would lead to greater international cooperation and to an upsurge of international trade that would benefit all nations. He said: "It would be disastrous for us if a combination of the 1992 single market and special trading privileges for Eastern Europe lead to diminished market access for ASEAN exports."

Dr Mahathir said despite assurances that more would be done to encourage greater investments in ASEAN, European investments continued to lag behind those from other regions. On ASEAN's apprehension of the formation of a single Europe, he said there was likelihood of EC becoming more inward-looking with the establishment of the market and a less open trading group.

A reinvigorated and resurged Europe has implications for ASEAN and the rest of the world, he said. For example, with the single market, EC would be contented with trading within itself and other European nations, including the European Free Trade Area (EFTA)—Sweden, Finland, Norway, Denmark, Austria and Switzerland.

He said while the EC may consider the ASEAN area as an important investment centre the attitude of the investors is somewhat different. Despite the very attractive packages and incentives offered by ASEAN countries, European investors still have a preference for the industrialised nations in the EC and north America.

It is feared that after 1992, they might be even more disinclined to venture outwards to ASEAN and seek instead the advantages of a homogeneous and enlarged market. "This is an aspect which I hope you will take up at this meeting bearing in mind the high priority accorded to closer industrial cooperation at the seventh ASEAN-EC ministerial meeting in Dusseldorf in May 1989," Dr. Mahathir added.

ASEAN's concern about developments in the internal market is real because not only is the EC a significant source for development funding, it is also the third largest trading partner of ASEAN after Japan and the

U.S, he said. In 1987, the EC accounted for 13 percent of ASEAN's global exports and 14 percent of ASEAN's global imports.

Abu Hassan Comments Cited

BK1602074290 Kuala Lumpur International Service
in English 0600 GMT 16 Feb 90

[Excerptis] The prime minister of Malaysia, Datuk Sri Dr. Mahathir Mohamed, has called on the European Community [EC] to create the opportunity for ASEAN countries to participate in the reconstruction and development of Eastern Europe and other regions. [passage omitted]

Foreign Affairs Minister Datuk Haji Abu Hassan Haji Omar in his speech earlier suggested that ASEAN and EEC concentrate their efforts on promoting investment and industrial cooperation. Towards Japan, both parties are to privatize their private sectors into seizing the opportunities now being offered in their respective regions. Datuk Abu Hassan is also Malaysia's coordinator for ASEAN-EEC relations.

Abu Hassan Addresses Meeting

BK1602095590 Kuala Lumpur BERNAMA in English
0724 GMT 16 Feb 90

[By Gwendoline Benjamin]

[Text] Kuching, Feb 16 (BERNAMA)—Malaysia has suggested that ASEAN and the European Community seriously study the possibility of having a five-year joint industrial programme. Malaysian Foreign Minister Abu Hassan Omar told the ASEAN-EC ministerial meeting that the programme could provide the overall objectives and strategies which both organisations could adopt and the directions and areas on which it should concentrate.

"If we could agree on this, [passage indistinct] ASEAN-EC ties," he added. Malaysia is the country-coordinator for ASEAN-EC relations. Abu Hassan said promoting investments and industrial cooperation should be the immediate priority for both groups.

"We need to galvanise the private sector from both sides into seizing the opportunities now being offered in our respective regions," he told the two-day meeting opened by Malaysian Prime Minister Dr Mahathir Mohamed. Abu Hassan said the setting up in Brunei of the ASEAN-EC management centre was an indication of the EC's long-term commitment to the socio-economic development of the Southeast Asian region. But, he pointed out, the EC action of giving "differential treatment" to respective ASEAN countries was holding up the implementation of the assistance programmes.

ASEAN wanted the EC's understanding that ASEAN countries would be treated equally and fairly when funds were disbursed for projects. ASEAN, he said, did not face such a problem with its other dialogue partners and

it hoped the matter could be resolved soon to avoid the current result of postponement and cancellation of projects.

EC 'Not To Close Doors'

*BK1602081090 Kuala Lumpur BERNAMA in English
0718 GMT 16 Feb 90*

[By Salbiah Said]

[Text] Kuching, Feb 16 (BERNAMA)—The European Community reaffirmed Friday [16 February] it will not withdraw its interest from the rest of the world, including ASEAN, despite the latest developments in Eastern Europe.

EC Commissioner for North-South Relations Abel Matutes said the EC will fulfill its responsibilities both on its own continent and elsewhere in the world. He told the 8th ASEAN-EC ministerial meeting which was opened by Malaysian Prime Minister Dr Mahathir Mohamed that although developments in Eastern Europe had fundamentally altered the post-war framework of international relations within which the EC had developed, the EC would not close its doors to ASEAN exports.

In addition, the single European market would bring new economic opportunities for ASEAN and also complement the existing international commitments of the EC, especially within the framework of the General Agreement on Tariffs and Trade (GATT), Matutes said. He added: "The renewed economic strength that will result from 1992 will allow the European Community to carry out fully its responsibilities as a major partner not only in the European Continent, but also worldwide."

Matutes noted that the Asia-Pacific Economic Cooperation (APEC) forum was now an emerging reality with an ambitious programme for cooperation between major partners around the Pacific Basin. As a major trading partner of Asia-Pacific and ASEAN, in particular, he said, the EC would continue to follow this development with great interest.

"One thing is clear in our minds—within the Asia-Pacific region, ASEAN represents a key partner and must remain one of its strong pillars.

"We Europeans value our political and economic relationship with ASEAN and will remain committed to strengthening both ASEAN itself and the EC-ASEAN ties," he said.

Khmer Rouge Agrees To Attend Jakarta Talks

*BK1602091590 Hong Kong AFP in English
0858 GMT 16 Feb 90*

[Text] Kuching, Malaysia, Feb 16 (AFP)—The Khmer Rouge has formally agreed to attend upcoming peace talks on Cambodia in Jakarta, Indonesian Foreign Minister Ali Alatas said here Friday [16 February].

Mr. Alatas, who is attending a ministerial meeting here of non-communist Southeast Asian Nations and the European Economic Community, told reporters that he received a letter from Khmer Rouge titular leader Khieu Samphan on Friday saying that Mr. Khieu Samphan would "come and participate in the meetings."

The Chinese-backed Khmer Rouge, the military muscle of the tripartite Cambodian resistance movement, reportedly dropped initial objections to the meetings, set to take place February 26-28. The Khmer Rouge had argued that Hanoi and Phnom Penh currently enjoyed the upper hand in moves toward a settlement and stood to score more diplomatic points through the talks. It had sought assurances that Mr. Alatas would be more "even-minded" than in previous regional meetings in 1988 and 1989 in Jakarta on Cambodia.

The Cambodian resistance has accused Mr. Alatas of favoring Hanoi and Phnom Penh in the meetings. The Khmer Rouge had also wanted all five permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States—to take part in the talks.

Of the five, France is the only one due to participate in the Jakarta talks, being held under the auspices of last August's failed international conference on Cambodia in Paris, which France co-chaired with Indonesia.

The Khmer Rouge had conveyed its decision to attend the talks in a letter dated Monday and addressed to former Cambodian monarch Prince Norodom Sihanouk. The Marxist Khmer Rouge, accused of acts of genocide while in power in Cambodia from 1975-79, was overthrown 11 years ago when Vietnam invaded the Southeast Asian country to install a client government in Phnom Penh.

The Cambodian resistance coalition also includes non-communist followers of Prince Sihanouk and former Prime Minister Son Sann. The conference is to bring together the four warring Cambodian factions, non-communist Southeast Asian countries, Vietnam, Laos, Australia and France.

Mr. Alatas, noting that all those invited had now agreed to take part, said he was "slightly more hopeful" about chances of success in the peace efforts. The discussions in Jakarta would "revive the negotiation process," which has been stalled since the deadlocked Paris conference in August, he said. The meetings would hopefully lead to a "more successful resumed Paris conference," the Indonesian foreign minister added.

The Paris conference broke up in stalemate when the warring Cambodian factions were unable to reach compromise over power-sharing within the framework of a peace agreement. The guerrilla coalition demanded formation of an interim government that would include the Khmer Rouge despite the faction's alleged responsibility for the deaths of hundreds of thousands of civilians under Pol Pot. Phnom Penh rejected this demand.

Mr. Alatas said he also saw hope in the fact that all four Cambodian factions had accepted "the central idea" of an Australian peace proposal on Cambodia calling for the United Nations "to become the administering authority in the transitional period leading up to free and fair elections."

Pressed on the Khmer Rouge attitude to a U.N. role, he acknowledged that the faction has "never said 'yes' (to the proposal). But at least they haven't rejected it."

Australia's peace initiative, an attempt to break the Paris deadlock, calls for an interim U.N. administration in Cambodia, and for Cambodia's seat in the world body, currently occupied by the anti-Phnom Penh coalition, to

be vacated. But in Mr. Khieu Samphan's letter to Prince Sihanouk announcing that he would represent the Khmer Rouge in Jakarta, he insisted that he "would always stick" to his demand that an interim government be set up in Cambodia with the participation of Khmer Rouge representatives. Mr. Alatas declined to comment Friday on a possible meeting of Prince Sihanouk and Phnom Penh Premier Hun Sen. The prince, currently on a "private" visit in Thailand, has proposed a meeting with Mr. Hun Sen to speed up the peace process.

Mr. Alatas said he had also invited U.N. Secretary General Javier Perez de Cuellar to attend the Jakarta meetings.

ASEAN To Use APEC To Enter Japanese Markets
OW1502185190 Tokyo KYODO in English 1017 GMT
15 Feb 90

[BY Kematchy Sappani]

[Text] Kuching, Malaysia, Feb. 15 KYODO—ASEAN officials said Thursday ASEAN countries hope to use cooperation through the Asia-Pacific Economic Cooperation (APEC) forum to gain better access to the lucrative Japanese market.

"We hope through APEC we'll get Japan to remove some barriers," Malaysian Foreign Ministry Secretary-General Ahmad Kamil Jaafer said Thursday. U.S. officials have said America also hopes to use the trade forum as a way to penetrate the Japanese and South Korean markets.

On Thursday, foreign and economic ministers of the Association of Southeast Asian Nations met for the first time to discuss their views on APEC before more discussions on economic cooperation in the Pacific rim are held in Singapore in June.

Indonesian Foreign Minister Ali Alatas told reporters after the meeting that even before the forum is institutionalized, he said he hopes trade cooperation and exchange of human resources and technology can occur and be expanded.

European Community (EC) officials here for an annual meeting with ASEAN that begins Friday said any development that opens Japan's domestic market is welcome.

"If the APEC can get the Japanese to pull down their barriers, then that's a fine thing," said one of the senior EC delegates. The EC initially was very wary of APEC, with some officials saying the grouping might turn protectionist.

Meanwhile, Alatas, chairman of the ASEAN Standing Committee, said six members of the grouping decided Thursday that APEC discussions must remain "exploratory."

"We do not want to hurry the institutionalization of APEC," he said.

"We won't go into institutionalizing it in Singapore," he said. "We will only be holding further discussions. We prefer it to be looser and consultative for the time being."

APEC, a forum for economic cooperation among countries in the Pacific rim, was first debated by Australia and held its first meeting in Canberra in November last year. The ASEAN ministers reiterated the stand made in Canberra that talks must be exploratory and that if an institutional framework is formed, then ASEAN must be at the core.

ASEAN officials have said they are concerned that a larger grouping like APEC may submerge its regional grouping and be dominated by big economic powers like Japan and the United States. "We must move cautiously," Alatas said. He said institutionalizing likely will bring with it certain problems, like the question of criteria for membership, apparently referring to communist economies like China and Vietnam.

ASEAN comprises Thailand, Malaysia, Singapore, Brunei, Indonesia and the Philippines.

ASEAN Ministers Reaffirm Position on APEC

BK1602023999 Bangkok THE NATION in English
16 Feb 90 p 2

[By Oranut Anusaksathian in Kuching, Malaysia]

[Text] ASEAN ministers yesterday reaffirmed their position that the Asia-Pacific Economic Cooperation (APEC) should remain an "exploratory and consultative" process among the 12 founding members.

Indonesia's foreign minister and chairman of the ASEAN standing committee, Ali Alatas, told a press conference yesterday that ASEAN would follow what it proposed at the Canberra meeting late last year that implementation of APEC should proceed gradually and be handled pragmatically.

Although ASEAN was willing to contribute resources and ideas, to the new forum, it will not push forward a new regional institution for economic cooperation, he said.

"We reconfirmed our view to go step by step on instituting APEC as we believe we should not do anything hastily," Alatas said. According to conference sources, the six ASEAN countries will attend an APEC meeting for senior officials in Singapore next month despite varying degrees of interest in the new forum.

Thai Commerce Minister Subin Pinkhayan, who served as the ASEAN economic ministers' spokesman at the Canberra meeting, said ASEAN would function as a core group because of its unified objectives, "while the objectives of APEC remain relatively dubious".

In a paper for the Singapore meeting, ASEAN suggested that the forum be based on the existing ASEAN mechanism, duly modified by joining the ASEAN Post Ministers Conference (PMC) and ASEAN Economic Ministerial (AEM) mechanism.

A Singaporean delegate said that at this stage ASEAN is not yet ready for establishing a separate mechanism, dialogue or any formal structure for the APEC, but will "wait until we are sure what structure the APEC might take," he added.

Thai Foreign Ministry's ASEAN Affairs Director-General Sarot Chawanawirat said that ASEAN, as a group, will attend the senior officials' meeting together with the other six members of APEC—Australia, New Zealand, the United States, Canada, Japan and South Korea—in Singapore on March 7-8.

The ministers of the 12 member countries are scheduled to meet in late July in Singapore to thrash out the proposal they tabled at the Canberra meeting.

By the time the 12 countries meet again in Seoul next year, Sarot said, ASEAN should better be able to assess the benefits of APEC on ASEAN.

Asked whether the APEC would cause concern for the European Community that it had been formed to counter the single EEC market in 1992, Alatas said the Community should be convinced by now that the APEC "never was and will never be" a restricted trading bloc. On the contrary, it would contribute to a free market system.

Japan

Government Responds 'Coolly' to Cheney Proposal

*OW1502151890 Tokyo KYODO in English 1414 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—Japan responded coolly Thursday to reports that U.S. Defense Secretary Dick Cheney said the United States will cut its troops in Asia by 10 percent.

Prime Minister Toshiki Kaifu said he has not heard anything about the U.S. troop cut, reportedly ranging from 10 to 12 percent, or between 7,000 and 9,400 servicemen stationed in Japan and the Philippines. Cheney reportedly discussed the troop cut with South Korean President No Tae-u in Seoul earlier Thursday. Another government source also denied receiving any official information on the U.S. troop cut, but did acknowledge the rumor. A Foreign Ministry source said the troop cut, if any, would be a small-scale personnel reduction.

Vice Defense Minister Seiki Nishihara said he was told by the U.S. side during his visit to Washington that some troops would be cut to raise efficiency. In informal Japan-U.S. meetings, the U.S. has hinted at a personnel reduction within four to five years.

The ministry source said the U.S. move would not signify a basic Pacific defense policy change by the Pentagon. The source denied the move would substantially affect Japan-U.S. bilateral security relations.

Cheney announced late last year that the U.S. will close 69 U.S. military bases, including 14 abroad, for federal defense budget cuts and because of easing tensions between Washington and Moscow.

Japan intends to shoulder more costs for the stationing of U.S. troops in Japan, government sources said. Washington demanded that Japan increase its share of the military burden in a defense report released late last month but did not press for specific requirements.

Kaifu Knows of 'No Plans' To Cut U.S. Troops

*OW1602055690 Tokyo KYODO in English 0520 GMT
16 Feb 90*

[Text] Nagoya, Feb. 16 KYODO—Prime Minister Toshiki Kaifu said Friday the level of military deterrence on the Korean peninsula will not be affected by plans by the United States to withdraw 5,000 of its troops from South Korea. Kaifu, in a press conference here during an election campaign stop, said that U.S. commitments to South Korean security are part of the agreement reached between Washington and Seoul.

Saying he knew of no plans to cut U.S. troops in Japan, Kaifu said he would "state Japan's views in a straightforward manner" in talks with U.S. Defense Secretary

Dick Cheney set for Thursday. Cheney arrives in Japan Tuesday for a five-day visit after stops in Seoul and the Philippines.

In Tokyo, the deputy chief cabinet secretary, Nobuo Ishihara, suggested the plan to withdraw 5,000 U.S. troops from South Korea would not affect regional security. He indicated he believes that the United States and South Korea agreed on the troop reductions after consulting on recent international developments and circumstances in East Asia. "Therefore it is not a matter for Japan to comment on," he said.

Ishihara also told a regularly scheduled news conference that Tokyo has not been informed of any U.S. plans to also withdraw troops from Japan.

Cheney said Thursday in Seoul that the U.S. plans to withdraw 7,000 to 9,400 troops from the Philippines and Japan as part of a 10 to 12 percent reduction of its forces in Asia. The U.S. currently has 120,000 troops stationed in the three countries, including 50,000 in Japan.

Japan plans to inquire about U.S. plans regarding its military presence in the Asia-Pacific region, Ishihara said.

Talks With U.S. on Trade Practices Scheduled

*OW1502215890 Tokyo KYODO in English 1445 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—Japanese and U.S. experts will hold trade talks in Tokyo from Monday on three areas—forestry products, satellites and supercomputers—in which Washington claims Japan is engaged in unfair trade practices, government sources said Thursday.

The talks on forestry products, which will come first on Monday and Tuesday, are expected to center on easing of Japanese rules for two-by-four construction, the sources said. The planned development of Japan's own satellite is expected to be the main topic in the satellite talks, slated for February 26 and 27. In the talks on supercomputers, due on February 28 and March 1, the Japanese will present data on Japan's steady procurement of U.S.-made machines to seek U.S. understanding, they said.

Washington singled out Japan as an unfair trader in the three areas last year and has threatened trade retaliation under the so-called Super 301 clause of the 1988 U.S. Omnibus Trade Act, unless U.S. companies are allowed satisfactory access to the Japanese market by the end of March.

Okinawan Town Protests U.S. Aircraft Arrival

*OW1602020690 Naha OKINAWA TIMES in Japanese
16 Feb 90 Morning Edition p 29*

[Text] Irabu—The Irabu Town Assembly (speaker: Seisho Nakama) held an extraordinary session on 15

February and unanimously adopted "a statement protesting the arrival of U.S. military aircraft at Shimoji Shima Airport." This was the third time for the assembly to adopt such a statement. The statement harshly criticized the arrival, calling it "an undesirable and truly regrettable act from the aspect of safety."

Assembly member Katsuteru Kuninaka introduced the statement to the extraordinary session, and assembly members Keiei Tomiyama and Hideya Yamasato spoke in support of the statement.

In their speeches, the two assembly members expressed their anger, saying: When a large number of U.S. aircraft arrived at Shimoji Shima Airport on 26 January, many town residents held a rally to strongly protest their arrival. Their arrival in such a large number for the alleged purpose of refueling even though no state emergency exists and in defiance of the residents' protest is nothing less than an attempt by U.S. forces to create a precedent in order to perpetuate the use of Shimoji Shima Airport."

The statement will be sent to the governor of the Okinawa Prefectural Government, the speaker of the Okinawa Prefectural Assembly, the director general of the Naha Defense Facilities Administration Bureau, the director general of the Defense Agency, the foreign minister, and others.

Government Denies Contract Pressure on Indonesia

OW1502225990 Tokyo KYODO in English 1529 GMT 15 Feb 90

[Text] Tokyo, Feb. 15 KYODO—Foreign Ministry officials said Thursday a U.S. news report suggesting the Japanese Government is applying political pressure to help a Japanese company beat its U.S. competitor to obtain a major Indonesian telecommunications contract is unfounded. "We have not put pressure on the Indonesian Government, and we won't," said a Foreign Ministry official, speaking on condition of anonymity. The officials said they regard the competition between NEC Corp. and an international consortium led by AT and T to be "matter of commercial interest."

The United States was the first to offer an unusually high concessional loan to Indonesia in an effort to obtain the telephone exchange contract, estimated to be worth 300 million dollars, and Japan later matched the loan, the officials said.

Meanwhile, Deputy Chief Cabinet Secretary Nobuo Ishihara said government interference in competition among private companies is "a serious matter." He told a news conference he was not aware of the specific incident, or of a letter sent by U.S. Secretary of State James Baker to Foreign Minister Taro Nakayama addressing the matter. He added he knew nothing of direct appeals to Indonesia by Washington. Foreign

Ministry officials also refused to confirm receiving the Baker letter, saying only they had responded to inquiries from the U.S.

An AT and T spokesman said U.S. President George Bush wrote a letter to Indonesian President Suharto encouraging him to buy American when it awards a contract for the digital telephone exchange. The exchange is part of a two-billion-dollar telecommunications project. THE WASHINGTON POST reported that Bush wrote the letter in response to reports from the U.S. Embassy in Jakarta that Japan was exerting political pressure to win the contract for NEC.

Shiro Sadoshima, deputy director of the aid policy division, suggested the U.S. might have taken the unusual action because of misinformation. "There is a widespread image among Americans that we are doing bad things around the world in business," Sadoshima said. "Sometimes the image is true and sometimes it is not true. (The U.S.) might have acted on the wrong image."

Japan is Indonesia's leading aid donor, providing 2 billion dollars of assistance to Jakarta annually. The United States contributes 90 million dollars in development aid each year.

Government, Business See U.S. Anti-Japan Trend

OW1602153890 Tokyo KYODO in English 1304 GMT 16 Feb 90

[Text] Tokyo, Feb. 16 KYODO—Government officials and leading business figures on Friday agreed that Japanese companies in the United States must boost their efforts at harmonizing with host communities through expanded individual contacts and social contributions, Foreign Ministry officials said.

The so-called joint conference on international communication coincided with the Foreign Ministry's release of a government-commissioned survey showing that 44 percent of Americans oppose Japanese investment in their country and 56 percent see Japan's economic prowess as a threat to the U.S. economic well-being.

Former Japanese ambassador to the U.S. Nobuo Matsunaga told the gathering at the Foreign Ministry that it is undeniable that Japan's image among Americans is suffering considerably. Left untreated, Matsunaga warned, the critical trend will eventually cause irreparable damage to the bilateral relationship.

Toyota Motor Corp. President Shoichiro Toyoda, chairman of the Japan Automobile Manufacturers Association, stressed that Japanese companies in the U.S. must actively contribute to the welfare and culture of the communities in which they are situated, since they themselves derive certain benefits from American society. He proposed expanding corporate publicity

efforts to show Americans that Japanese companies are indeed carrying out such endeavors.

Foreign Ministry spokesman Taizo Watanabe, who returned recently from a mission to the U.S. to gauge the extent of rising anti-Japanese feelings and assess countermeasures, said Japanese in the U.S. should take it upon themselves to broaden their communication with locals.

Shiseido Co. President Yoshiharu Fukuhara said the situation at hand requires the implementation of changes not only in the overseas branches of companies, but at their headquarters and offices in Japan. He said "internationalization" must take root on the Japanese corporate scene and employees should consider the future course of social and corporate endeavors from the vantage point of "citizens of the earth."

Participants at the conference studied a list of proposals submitted by branches of Japanese companies in the U.S. after they held a number of "communication and culture conferences" in seven American cities last year. The participants were also informed by Foreign Ministry officials of the results of an opinion survey conducted in January showing increasing resentment of Americans over the rise of Japan's economic strength and the corresponding increase of its investment activities in the U.S.

The poll came on the heels of an opinion survey carried out by THE NEW YORK TIMES and the CBS Broadcast Network in January which showed that the number of Americans with "generally unfriendly" feelings toward Japan has risen to 25 percent from 9 percent in 1985 and 19 percent last June.

Last month the Foreign Ministry set up an advisory panel on international communications, chaired by Tsutomu Oshima, vice chairman of Toyota Motors and comprising 20 members from various corporations, as well as government officials.

Central Bank Governor Monitoring Price Movements

OW1502011890 Tokyo KYODO in English 0728 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday that the central bank is continuing to watch price movements closely and to monitor the effects of the last hike in the official discount rate. Mieno, speaking at a regular press conference, noted that the country's labor shortage, notably in transportation and other service industries, is worsening.

"The economy continues to expand, led by active capital spending and personal consumption," Mieno said. "But price movements must be watched carefully, because of the tightening labor market and the recent weakness in the value of the yen."

Touching on the U.S. economy, the head of the central bank said there is no chance of a recession there, due chiefly to brisk output at factories.

Mieno, who returned Sunday from a five-day visit to Washington, said many U.S. financial experts are concerned about the strong U.S. dollar, which they said threatens to hamper U.S. exports.

Automakers Outline Import Plans for Fiscal 1992

OW1502011790 Tokyo KYODO in English 1115 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—All 11 Japanese automakers have outlined their combined car and related parts import plans for fiscal 1992 ending in March 1993, envisaging combined imports valued at 1,030.9 billion yen, a 2.8-fold surge over fiscal 1988.

The plans immediately drew a favorable reaction from the Ministry of International Trade and Industry. Car and related component imports have larger roles in helping cut Japan's snowballing trade surplus with its major trading partners, an official said.

Nissan Motor Co., Japan's second-largest automaker, spearheaded the drive last September when it revealed its import promotion project dubbed "international cooperation program." Nissan was then followed by Toyota Motor Corp., the largest Japanese carmaker, Honda Motor Co., the world's biggest motorcycle maker, and medium automakers and truck makers this year. The carmakers are aiming at a 2-4 fold increase each in fiscal 1992 over fiscal 1988. Specifically, they plan to import assembled cars, related components, and raw materials, as well as machinery other than for autos.

Mazda Motor Corp., in which Ford Motor Co. has a 22.5 percent stake, hopes to quadruple imports, importing Italian and French cars as well as its cars produced overseas. Furthermore, Toyota, Nissan, and Honda, being actively engaged in U.S. production, have disclosed plans to raise their local content ratio to 75 percent between 1991-94.

Thatcher Urges Japan To Relax RSA Sanctions

OW1502154390 Tokyo KYODO in English 1335 GMT 15 Feb 90

[Text] Tokyo, Feb. 15 KYODO—British Prime Minister Margaret Thatcher has urged Japan to relax economic sanctions against South Africa following Pretoria's release of black nationalist leader Nelson Mandela, government sources said Thursday. The sources said that message was conveyed to Prime Minister Toshiki Kaifu in a letter sent by Thatcher earlier in the week.

Thatcher hailed South African President Frederik W. de Klerk's policy of national reconciliation and called for a relaxation of sanctions as a means of giving momentum to the trend of reform, the sources said.

Government Spokesman Nobuo Ishihara told reporters earlier in the day that Japan wants "to continue serious consideration" of the question of relaxing its economic sanctions.

In a related development, the sources said South African Vice Foreign Minister Neil Van Heerden met on Monday with a senior Japanese Foreign Ministry official in Pretoria and called for Japan's support of his government's reform efforts. The official, Makoto Watanabe, director of the ministry's Middle Eastern and African Affairs Bureau, responded that Japan appreciates Pretoria's recent moves, but remains concerned about the continued existence of apartheid statutes, the sources said. Japan will continue watching developments and act accordingly, the official was quoted as telling Van Heerden. Watanabe also reportedly drew attention to a statement issued by Foreign Minister Taro Nakayama last Friday, which called for a "negotiated and peaceful settlement" to the problem of apartheid.

Foreign Ministry officials were reluctant to comment on the content of Thatcher's letter other than to say the British leader's position on the issue of sanctions is already well known. Thatcher has recommended a carrot-and-stick approach to encouraging Pretoria on the road to reform, saying rewards for deeds well done are needed in addition to chastisement for failings. She has specifically come out in favor of a lifting what she calls "minor sanctions," such as the ban on new investment. Last Friday, Thatcher lifted academic and cultural restrictions.

While Japan has welcomed Pretoria's release of Mandela and its legalization of the African National Congress (ANC), it has remained noncommittal on the question of a relaxation of its economic and political sanctions. Officials said Japan is watching how the rest of the international community reacts before deciding on its own position. They said Japan is also waiting to see how seriously the South African Government engages itself in the task of dismantling apartheid and in entering into negotiations with leaders of the country's black majority.

Aside from prohibiting direct investment in South Africa, Japan has implemented such sanctions as a ban on the imports of iron, steel, and Kruggerand gold coins. Following a government call for restraint, bank lending has virtually ceased. Exports of computers to apartheid-implementing agencies are prohibited and South African Airways is banned from Japanese airports. Diplomatic relations are nominally maintained only at the consular level.

Japan, which stood out as South Africa's largest bilateral trading partner in 1987 at 4.27 billion dollars in two-way trade, has now fallen into a more comfortable second place, behind West Germany, and the value of its trade is on a decreasing trend.

Peace Corps Mission To Go to Laos in July

*OW1502122690 Tokyo KYODO in English 1056 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—Japan will send a peace corps contingent to Laos next July for the first time in over a decade, Foreign Ministry officials said Thursday.

The Mission of the Japan Overseas Cooperation Volunteers (JOCV) will be the first such cooperation ever extended to Laos by a the West since the country turned communist in 1975, the officials said. The officials said Japan is now considering a number of candidates for five positions in the planned peace corps contingent and will begin training selected recruits in the spring.

Japan and Laos agreed to resume the peace corps activities last July. In addition to the upcoming contingent, two more of similar size will likely be sent the following December and March, officials said.

Laos became the first country to receive Japanese peace corps volunteers in December 1965 amid deeply-rooted anti-Japanese sentiment in the region left over from World War II. But after the communist takeover in December 1975, the new government did not request new volunteers and JOCV commitments there expired 15 months later in March 1977.

Laotian Prime Minister Kaysone Phomvihane has since launched a "learn from Japan" drive and last November he secured Prime Minister Toshiki Kaifu's pledge to upgrade Japan's aid program to Laos when the two met in Tokyo. There are now two Japanese agricultural specialists working in Laos with the Japan International Cooperation Agency (JICA).

Japan currently has some 1,930 JOCV volunteers assisting locals in 41 developing countries, officials said.

Envoy Makes First Visit To Cambodia Since 1979

*OW1502143590 Tokyo KYODO in English 1408 GMT
15 Feb 90*

[By Yutaka Negishi]

[Text] Phnom Penh, Feb. 15 KYODO—An envoy of the Japanese Foreign Ministry arrived Thursday for the first visit to Kampuchea by a Japanese Government official since the Heng Samrin government was established in 1979.

Japan does not recognize the Vietnam-backed government but supports the coalition of three guerrilla factions led by resistance leader Prince Norodom Sihanouk.

The Japanese envoy, Masaharu Kono, will stay here for a week and hold talks with Phnom Penh government officials on an economic rehabilitation program for this war-torn country.

Japan and Australia share the chairmanship of a committee for the reconstruction of Kampuchea, which was set up at international peace negotiations held in Paris last year.

Upon arrival at Phnom Penh International Airport, Kono, director of the Foreign Ministry's Southeast Asian Department, said his visit "is timely" in view of a new round of peace talks to be held in Jakarta on February 26-28. But he added he did not bring a Japanese peace proposal to be presented to Kampuchea. Kono said his visit is informal and he will have preliminary talks with Kampuchean officials. "There will be no political discussions," he said.

Ly Hach, Kono's Kampuchean counterpart, was on hand to welcome Kono at the airport. Referring to Kono's visit, a Kampuchean Foreign Ministry spokesman said, "this is a good sign, a good step for better understanding between our two countries." He also said Prime Minister Hun Sen is ready to meet the Japanese envoy if requested to do so.

Japanese Government sources in Tokyo had said, however, that Kono is not likely to meet the premier because the move may be seen as a sign that Japan intends to recognize the Phnom Penh government. Kono is traveling not with a diplomatic passport but an ordinary passport. Japanese Foreign Minister Taro Nakayama has said Japan's policy toward Kampuchea will remain unchanged by the official's trip here.

Last week, Australia sent a delegation led by Assistant Foreign Secretary Robert Merrilees for talks with Phnom Penh government officials on Canberra's peace initiative. It is expected to be high on the agenda for the Jakarta talks in which Hun Sen will represent the Phnom Penh government.

Foreign Ministry Cited on Sihanouk's Grandson

OW1502233190 Tokyo KYODO in English 1141 GMT 15 Feb 90

[Text] Tokyo, Feb. 15 KYODO—The grandson of Kampuchean resistance leader Prince Norodom Sihanouk has completed his studies in Japan on international cooperation and returned to Bangkok, Foreign Ministry officials said Thursday. Officials said Prince Norodom Buddhapong, 22, left Japan on Sunday after three months of studying the Japanese language, culture, and economic cooperation under a government-sponsored training program.

"This is one way to train human resources for the future reconstruction of Cambodia (Kampuchea)," said one aid official.

Buddhapong is the eldest son of Sihanouk's third son Norodom Chakrapon and serves as a public relations officer member in Sihanouk's representative office in Bangkok. His training was sponsored by the Japan International Cooperation Agency (JICA) as part of a

program proposed to Sihanouk in August 1988 by then Foreign Minister Sosuke Uno.

Japan supports Sihanouk as a central figure in a future comprehensive peace settlement in Kampuchea.

Foreign Minister To Visit ROK in Late March

OW1602154290 Tokyo KYODO in English 1330 GMT 16 Feb 90

[Text] Tokyo, Feb. 16 KYODO—Japanese Foreign Minister Taro Nakayama will visit South Korea in late March to try to solve the problem of third-generation Korean residents in Japan and pave the way for a planned visit to Tokyo by South Korean President No Tae-u, government sources said Friday. Sakutaro Tanino, Foreign Ministry's Asian Bureau chief, will also leave for Seoul on February 27 to attend bilateral working-level talks on the issue, while his Korean counterpart will come to Tokyo on March 20, the sources said.

South Korea has linked No's anticipated visit in May to its demand for improvement of the legal status of third-generation Koreans in Japan, including automatic provision of permanent residency and abolition of repatriation and finger-printing as a means of registration. Third-generation Korean residents in Japan, who are the children of the second-generation Koreans born in Japan on January 17, 1971 or later, have no legal protection under Japanese authorities. There are now only three third-generation Koreans in Japan.

No has cancelled two previous trips to Japan, once due to the illness of the late Emperor Showa and once due to volatile political conditions in Japan.

Japanese Foreign Ministry sources admitted that the Korean demand calls for fundamental changes in Japan's immigration policy. Justice Ministry sources expressed hopes that an agreement could be reached with minimum changes.

But top officials at the Foreign Ministry, who aim to show some results by the summer, are seeking adjustments in law enforcement as regards Koreans, as well as review of the immigration system, with the Justice and Home Affairs Ministries. Both sides failed to make progress in the past five meetings since December 1988 and South Korean Embassy officials in Tokyo said Japan must come up with some concrete measures.

In 1965, both nations agreed to discuss the legal status of third-generation Koreans before January 16, 1991, upon request from the South Korean Government. Japan grants permanent residence permits to Koreans living in Japan before World War II, the first-generation Koreans born in Japan between January 17, 1966, and January 16, 1971, and the second-generation Koreans.

During Japan's 1910-1945 colonial rule of Korea, many Koreans were taken to Japan for forced labor. There are an estimated 680,000 Korean residents in Japan.

Ex-Im Bank Extends Credit to Thai Telephone Firm
*OW1502122290 Tokyo KYODO in English 1058 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—The Export-Import [Ex-Im] Bank of Japan said Thursday it has signed a buyer's credit loan agreement with the Telephone Organization of Thailand (TOT), allowing it to extend credit to TOT of up to 1,369 million yen.

The loan will be used for the purchase of Japanese goods and services required for the digital transmission system project that TOT is working on, Exim officials said. TOT is to construct a communication network with optical fibers and digital microwaves throughout the nation. The project is part of TOT's fifth telephone network expansion program, the officials said.

Nissho Iwai To Build PRC Fuel Plant

*OW1502081690 Tokyo KYODO in English 0707 GMT
15 Feb 90*

[Text] Beijing, Feb. 15 KYODO—Nissho Iwai Corp. on Thursday signed a joint-venture agreement with a Chinese firm to build a coal and water mixture fuel plant in China, according to a Nissho official. He said the joint firm will develop liquid fuel derived from a mixture of coal and water as an alternate energy source to oil and to reduce air pollution.

The joint company, Yanzhou CWM Corp. will be headquartered in Yanzhou, Shandong Province, and is capitalized at 1.2 billion yen. The fuel processing plant is to be constructed in a Shandong seaport on the Yellow Sea. The plant is expected to process about 250,000 tons of fuel a year when it goes online next year, the official said. Total project costs will reach about 3.8 billion yen, the official said.

Nissho Iwai will have a 34 percent interest in the company, while the Chinese firm will hold a 51 percent. The remainder will be owned by JGC Corp., a Japanese plant engineering firm. Yanzhou CWM will transport coal from mines in Shandong Province to the seaport processing plant, the official said. Nissho Iwai has plans to import the liquid fuel to Japan, the official said.

Orphans From PRC Arrive To Seek Relatives

*OW1502233090 Tokyo KYODO in English 1300 GMT
15 Feb 90*

[Text] Narita, Chiba Pref., Feb. 15 KYODO—The latest group of Japanese orphans displaced during the final days of World War II and raised by Chinese arrived Thursday to seek relatives in Japan. The 49-member group comprises 31 middle-aged women and 18 men from northeastern China.

Japanese military and civilians withdrew from the Chinese continent around the time of Japan's defeat in

1945, leaving many young children behind. The first group of war orphans came to Japan to search for relatives in March 1981.

Chemical Firm To Form Joint Venture With PRC

*OW1502232490 Tokyo KYODO in English 1321 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—Tokuyama Soda Co., a major chemical firm, said Thursday it will establish a joint venture in Tianjin, China later this month with a Japanese trading company and the Municipality of Tianjin to produce gas sensors and gas alarms. Tianjin Figaro Engineering Inc., capitalized at 630 million yen, will be owned 40 percent by Tokuyama, its subsidiary Figaro Engineering Inc. and Shinko Shoji Co. The remaining 60 percent will be owned by the Chinese side, Tokuyama officials said.

A manufacturing plant for the venture, scheduled to be completed late this year, has a production capacity of two million units of gas sensors and 500,000 units of gas alarms per year the officials said. The partnership aims to deal with recurring gas accidents due to low sensitivity of homemade gas sensors in China, they said.

Mongolia Expected To Seek Direct Air Link

*OW1402224190 Tokyo KYODO in English 1135 GMT
14 Feb 90*

[Text] Tokyo, Feb. 14 KYODO—Mongolia will likely call on Japan to open a direct air link between Ulaanbaatar and Tokyo when Premier Dumaagiyn Sodnom visits February 27-March 4, Foreign Ministry sources said Wednesday. Sodnom, who is anxious to facilitate greater contacts between his country and Japan, is expected to make the request in a meeting with Prime Minister Toshiki Kaifu on February 28, the sources said. But they indicated that Japan will be unable to accede to the Mongolian request in full as Tokyo's Narita Airport is already overly congested. Any regular flight service between the two countries would entail lengthy negotiations on a new bilateral air accord, the sources said.

But the two sides will likely reach a provisional compromise agreement on an irregular charter flight service between Ulaanbaatar and another Japanese city, perhaps Nagoya or Niigata, via Beijing, the sources said. They said a Mongolian Government official in charge of economic matters visited Tokyo in December at the government's invitation for talks on the matter. The Mongolian official also met representatives of Japanese airline companies, which agreed to carry on a dialogue with the Mongolian airline MYAT in Beijing through their offices there, the sources said. If MYAT aircraft were to be used, they would have to refuel in Beijing before flying to Japan due to their low fuel capacity, they said. The flight would be considered direct as long as there was no change in passengers and cargo, they said. MYAT already runs a weekly direct flight service from Ulaanbaatar to Beijing.

Poland Agrees to Daihatsu Auto Proposals*OW1402123390 Tokyo KYODO in English 0834 GMT
14 Feb 90*

[Text] Osaka, Feb. 14 KYODO—Daihatsu Motor Co. said Wednesday that the Polish state-owned automaker has agreed in principle to Daihatsu's proposal to scale down output and apply a knock-down system under their joint car production project there. Company officials said Fabryka Samochodow Osbowych (FSO) agreed to the plan, which calls for assembling 5,000 to 6,000 units of the 1300 cc Charade vehicles annually, with all the parts shipped from Japan.

The new plan, which came in order to break an impasse in their deadlocked negotiations on the project, will help sharply curtail investment to about 1.5 billion yen against the originally planned cost of 120 billion yen, the officials said. An official agreement, however, will not come until local financial problems are cleared, they said.

Though Daihatsu is expecting financial contribution from private sector businesses, unstable politics and scarce foreign exchange reserves in Poland make it difficult for financiers to sign the contract right now, industry sources said.

Kaifu Pledges To Create 'Grand Japan'*OW1602012190 Tokyo NHK General Television Network
in Japanese 1000 GMT 11 Feb 90*

[Text] Today is National Foundation Day. Rallies were held across the country to mark or oppose the day.

A ceremony was held in the National Theater in Tokyo, under the cosponsorship of the government and the Society for Marking National Holidays, a juridical foundation. Attending the ceremony were 1,700 people from economic and youth organizations. Prime Minister Kaifu attended the ceremony as a guest. Speaking at the ceremony, the prime minister said that, looking back at the great achievements made by his predecessors on the occasion of National Foundation Day, he renewed his resolve to create a Grand Japan. Many cabinet members attended the ceremony in the past, but this time only Prime Minister Kaifu and Chief Cabinet Secretary Moriama attended, because of the lower house elections.

Doi Proposes Post-Election Opposition Meeting*OW1502173690 Tokyo KYODO in English 1442 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—Japan Socialist Party (JSP) Chairwoman Takako Doi on Thursday proposed a meeting of leaders of four opposition parties to discuss key issues soon after the general election Sunday. The leader of the No. 1 opposition party made the proposal in a press conference given during a campaign tour in Osaka.

The leaders of the JSP, Komeito, the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP) should meet to discuss abolition of the 3 percent consumption tax, political reforms, welfare, disarmament and peace issues soon after the House of Representatives election, Doi said. The meeting would aim at closing the ranks of the opposition forces on key policy issues and should take place soon after the election, irrespective of developments in consultations for a coalition government, the JSP chairwoman said. She suggested she may start preparations for creating a coalition government based on the outcome of the post-election meeting. She also wants to hold talks with Prime Minister Toshiki Kaifu, who heads the Liberal Democratic Party (LDP), following the election, she said. But Doi ruled out the possibility of a grand coalition as previously proposed by Shin Kanemaru, former deputy prime minister and the head of the largest faction within the government party.

Doi also said she thought a basic foundation has been established for talks between her party and the U.S. Government on bilateral defense issues. Recent remarks made by senior U.S. officials on cuts in defense costs and the U.S.-Soviet moves for detente and disarmament are compatible with the JSP policy of calling for a review of the Japan-U.S. security treaty, she said.

LDP Candidate's Car Fired Upon; Aid Injured*OW1502160190 Tokyo KYODO in English 1505 GMT
15 Feb 90*

[Text] Yamaguchi, Feb. 15 KYODO—The campaign car of a Liberal Democratic Party [LDP] candidate for Sunday's general election was fired upon Thursday night and a campaign assistant wounded. Police said they suspect a high school student was responsible for the incident.

They said the attack on the campaign car of Shinji Sato in Iwakuni, Yamaguchi Prefecture, was carried out with an air gun, which were becoming increasingly popular with local junior high school students. A 35-year-old female campaign assistant sitting in the rear seat was hit near her right eye during the shooting. The wound would need 10 days to heal, doctors said. Over 20 rounds of ammunition were found on the road near the car, police said.

Sato, a four-time LDP lawmaker and a former transport minister, was not in the car at the time of the shooting as he was attending a local rally.

On Tuesday, another LDP candidate, Koichi Hamada, was attacked by a man with a club in Kimitsu, Chiba Prefecture, after a local rally. He was injured on the head and was temporarily hospitalized.

Gunman Attacks Nakasone's Election Office

*OW1602042290 Tokyo NHK General Television
Network in Japanese 1000 GMT 11 Feb 90*

[Text] A man carrying a handgun forced his way into the election office of candidate Yasuhiro Nakasone in Takasaki City, Gunma Prefecture, this evening and fired three shots without injuring anybody. The man was immediately arrested. Yasuhiro Nakasone is running for a lower house seat in Gunma Electoral District 3.

A young man carrying a handgun forced his way into Nakasone's election office in Suehiro Town, Takasaki City, at about 1730 this afternoon and fired three shots at election posters, glasses, and television sets. At the time of the incident, Nakasone was away from the office on a campaign tour, and 11 people, including campaigners, fled. No one was injured.

The man was arrested by policemen, who rushed to the office after receiving emergency telephone calls, on suspicion of violating the Firearms and Swords Act. According to by Takasaki Police investigators, the name of the man in custody is Koji Konishi, living in Angyo-jirin, Gawakuchi City, Saitama Prefecture. He confessed to investigators that he belongs to the Society Worrying About the Nation, a right-wing organization. Regarding the motive for the shooting, he is said to have told investigators: I had no intention of killing anybody. I hate candidate Nakasone, because he has been fooling the people. I committed the act in the belief that such a shooting would make the people understand. Police are questioning the man regarding his motive.

In connection with the incident, State Safety Commission Chairman Watanabe issued a statement saying: The suppression of political activities and freedom of speech by violence is impermissible. Government agencies concerned should make concerted efforts to prevent the recurrence of a similar incident. The police should take measures to eradicate this trend.

Right-Wing Group Barred From Building

*OW1502233390 Tokyo KYODO in English 1127 GMT
15 Feb 90*

[Text] Tokyo, Feb. 15 KYODO—A rightist group, whose leader assaulted the mayor of Nagasaki for his remark that the late Emperor Showa is partially responsible for World War II, was ordered Thursday by a local court to stay out of a building in central Tokyo that houses the group's headquarters, court officials said. The Nagasaki-based group, Seikijuku, was ordered to vacate a room in the building located in the Ginza shopping district and return it to its owner, an 80-year-old woman resident in Omiya, Saitama Prefecture.

The owner appealed to the Tokyo District Court last October to reclaim the room in the building that had been rented to a third party in 1981 but was being used by Seikijuku. The group has not paid any rent, the court said.

In Thursday's ruling, Chief Judge Masato Niimura ordered the group to pay 150,000 yen per month retroactive to October when the owner filed suit and to vacate the premise. The room has been searched by police investigating the January 18 shooting incident that seriously wounded Nagasaki Mayor Hitoshi Motoshima.

The mayor suffered chest wounds from shots fired by Kazumi Tajiri, the acting chief at Seikijuku's Tokyo headquarters. Tajiri, who is now facing an attempted murder charge, said he shot Motoshima in revenge to a remark the mayor made that the late emperor was partly responsible for Japan's involvement in World War II.

JCSAT To Begin Using New Satellite

*OW1002052790 Tokyo KYODO in English 1331 GMT
9 Feb 90*

[Text] Tokyo, Feb. 9 KYODO—Japan Communications Satellite Inc. (JCSAT) on Saturday will start using its second satellite, launched in January, to meet the needs of its clients—telecom service firms, company officials said Friday.

The satellite, named JCSAT-2, was manufactured by the United States' Hughes Aircraft Co., like its predecessor, JCSAT-1, launched last March. JCSAT-2 was launched on January 1 from Cape Canaveral in Florida by Martin Marietta Corp. Efficiency tests have since been conducted on its transponders, the transceivers that receive signals from the earth, amplify them and send them back to the Earth. The officials said the two satellites have 32 transponders each for a total of 64 transponders. Of the total, 37 transponders have been hired out to telecom service firms under long-term contracts.

The telecom service firms will offer satellite communications services to their clients, using the leased transponders. JCSAT is teamed with C. Itoh and Co. and Mitsui and Co., both trading giants.

Mongolia

Government Ready To Cooperate With Movements

*LD1402102490 East Berlin ADN International
Service in German 0939 GMT 14 Feb 90*

[Text] Ulaanbaatar (ADN)—The Mongolian Government leader Dumagiyn Sodnom has recognized the existence of the various informal movements as real political forces in the country. At a meeting with young people yesterday evening in Ulaanbaatar, he said that the movements would develop in the future into political parties. Sodnom emphasized the government's readiness for a constructive cooperation with the informal organizations and movements.

The government leader explained that the fate of perestroika in Mongolia depends on the concrete steps over the next five years. It is important, in particular, to perfect the structure of the national economy and the

mechanism of its management. Foreign trade must be increased to improve the efficiency of the Mongolian economy. Particular attention will also be devoted in the coming years to the exploration and the economical use of mineral resources such as zinc, silver, and coal.

In the premier's view, Mongolia is not threatened by any political or economic crisis.

Namsray Speaks on Multiparty System 14 Feb

OW1502134690 Ulaanbaatar International Service in English 1200 GMT 15 Feb 90

[Text] Politburo member and Secretary of the Mongolian People's Revolutionary Party Central Committee Namsray, speaking at a meeting of journalists in Ulaanbaatar [on Wednesday, 14 February], said that perestroika in the country is moving rather slowly. He has acknowledged that today perestroika has not yet become an all-embracing process involving everybody and everything. The threat to perestroika lies not in the possibility of returning to the old but in the slackening of the intensity of this process, underlined Namsray. He said that he doesn't agree with the idea of having a multiparty system just for the sake of having it.

Namsray admitted that the recently set up informal movement of the Mongolian Democratic Association, similarly like the other movements and associations, is the creation of the fifth plenum of the party Central Committee held in 1988. [sentence as heard] He also recognized the right of party members to express collective viewpoints and denied the existence of clanishness in the Politburo although there are differences of views.

Opposition Leader Considers Forming New Party

OW1502144090 Tokyo KYODO in English 1401 GMT 15 Feb 90

[Text] Ulaanbaatar, Feb. 15 KYODO—Fanjasuren Zorig, leader of the opposition Mongolian Democratic Union, said Thursday the organization may declare itself a political party to challenge the 70-year monopoly of power by the Communist Mongolian People's Revolutionary Party (MPRP).

Zorig told reporters that a new party might be formed upon requests from regional representatives when the union holds its first general meeting Sunday. The 27-year-old lecturer at Mongolian State University said if there was a strong demand, a new political party will be formed while the union would be retained as a mass democratization organization. But he said the union's administration has not put the issue on the meeting's agenda.

The general meeting will be attended by 500 branch representatives of the union, which was founded at the end of last year and now has an estimated 60,000 members, mostly youths calling for a multiparty system. Zorig said the MPRP has accepted the union's demand to use a public building for the meeting.

A senior official of the 90,000-member MPRP said Wednesday they understand the calls for introducing a multiparty system. Zorig said different parties should have equal strength, noting that the MPRP has too much power at the moment. Denying that the Soviet Union is backing his union, Zorig called for the formation of networks of democratization movements in socialist nations.

Mongolian Democratic Union Demands Recognition

LD1102172390 East Berlin ADN International Service in German 1545 GMT 11 Feb 90

[Text] Ulaanbaatar (ADN)—At a rally involving around 10,000 participants in Ulaanbaatar today, a week ahead of its founding congress, the Mongolian Democratic Union has once again demanded official recognition. Several speakers pointed out that restructuring is not possible without fundamental renewal of the political system. Calls were made for the resignation of leading politicians, for social justice, environmental protection and press freedom for the union.

The news agency MONTSAME reports that a group of GDR specialists working in Ulaanbaatar took part in the meeting, carrying a black-red-gold flag.

On Saturday the party and government newspaper UNEN published a whole page of readers' letters largely protesting against the activities of the union and calling for its dissolution. Other readers announced they had joined the union or expressed interest in a businesslike exchange of views.

North Korea

Letter of Meeting of DPRK Government, Parties

SK1502121490 Pyongyang Domestic Service in Korean 0800 GMT 15 Feb 90

[Text] At 1500 this afternoon in Panmunjom, our side's liaison officials handed over to the South side's liaison officials a letter that was adopted at the 2d joint meeting of representatives of the DPRK Government and various political parties. As authorized by this joint meeting, Yon Hyong-muk, premier of the State Administration Council, sent the letter to No Tae-u, South Korean president and co-chairman of the Democratic Liberal Party; South Korean Prime Minister Kang Yong-hun; and Kim Tae-chung, president of the Party for Peace and Democracy. The letter is as follows:

Letter to the leaders of the South Korean authorities and political parties:

Representatives of the DPRK Government and political parties attended the 2d joint meeting on 14 February and discussed measures to realize a consultative meeting of leaders of the authorities and various political parties with North-South highest-level participation in compliance with the demand of the prevailing situation. In the

joint meeting, we examined the overall situation which has changed recently, and agreed that it is necessary to make more positive efforts and to take reasonable measures to convene a consultative meeting. In this connection, we have sent this letter to you.

As we pointed out in the 19 January letter, the new negotiations proposal which respected and beloved President Kim Il-song put forth in his New Year address for this year is a patriotic initiative that is of epochal significance in solving our national issue, which has remained unsolved for no fewer than 45 years. Today, this proposal has aroused great reaction at home and abroad as time goes by, and gives new hope for and a firm belief in the reunification of the fatherland to all the fellow countrymen. Unanimously calling it a wonderful measure that contributes to peace on the Korean peninsula and Asia in general, our proposal on tearing down the concrete wall south of the Military Demarcation Line and realizing free mutual visits between the North and South and completely opening up to each other, the world's peace-loving people enthusiastically welcome it. In the short month since our proposal was advanced, governments, political parties, and organizations of approximately 100 countries of the world extended solidarity in support of the new proposal, and because of this proposal, the world's attention to reunification on the Korean peninsula has significantly increased.

Our proposal is received by South Korean people from all walks of life with great expectation and joy, and opposition parties and dissident forces have reacted well. All the facts clearly show that our epochal proposal for peaceful reunification is a just one that best reflects the earnest desire of all the fellow countrymen for the reunification of the fatherland and that elucidates a correct road toward a breakthrough to reunification.

We are greatly encouraged by this and are optimistic for prospects for realizing the new proposal. If there is any uncertain element, it is the South Korean authorities' negative stand and attitude toward our proposal. The 1 February reply letter by the South Korean prime minister shows that the North and South still have differences in views on many issues. Above all, we cannot but be truly surprised that the South Korean authorities deny the presence of the concrete wall which they themselves built. Such a reckless act that deceives the entire nation and the world's people and even their own conscience cannot be construed as other than an attempt to leave the concrete wall, a symbol of national division, untouched at all costs and to physically maintain the division of the country and the current status in which the North and South are kept closed to each other.

Your side says that it welcomes free mutual visits and total opening up. However, as long as your side tries to leave the concrete wall untouched, no one will believe what your side says. As for the issue of travel, communications, and commerce agreements that your side's authorities put forth in response to our proposal for free mutual visits and total opening up, these agreements are,

in essence, intended for the North and South to facilitate exchange with each other as two states and to live separately, not to achieve reunification as a single nation.

Moreover, under circumstances in which the South Korean authorities want sole admission into the United Nations and continuously pursue the two-Koreas policy, even if the issues of travel and communications and economic exchange are solved, this will not give any help to the reunification of the country. We recognize that if the issues of travel and communications and economic exchange are to be solved, your side's will for reunification must first be confirmed, and, as evidence for this will, a willingness to tear down the concrete wall must first be expressed.

What leads us to express our grave regret with regard to the South Korean prime minister's reply letter is their incorrect, prejudiced view on the format of talks. Because tearing down the concrete wall in South Korea and realizing free mutual visits and total opening up is an important political issue that is related to the immediate interests of the entire nation, if this issue is to be justly solved, a wide arena for negotiations in which the consensus of the nation can be reached must be provided as a matter of course. Nevertheless, the South Korean authorities insist on only summit talks after rejecting even a lawful opposition party from dialogue. This runs counter to the universal principle of democratic politics and the democratic principle on solving the reunification issue, a principle that they themselves espouse.

We, of course, pay attention to highest-level talks between the two sides, and our proposal for a consultative conference also forecasts participation by the highest persons in authority. Therefore, if the South Korean authorities truly want highest-level persons to meet, they have no reason to oppose the format of a consultative conference, which we proposed.

What we consider to be important in realizing our consultative conference proposal are the "Team Spirit" joint military exercise and the restructuring of the political circles in South Korea. The large-scale joint military exercise, which is conducted every year together with the U.S. Forces, further aggravates tension in our country and blocks normal progress in dialogue. The "Team Spirit" joint military exercise suspended various channels of North-South dialogue all at once again this year, and casts a dark cloud over even our new proposal to convene a consultative conference. We think that if the South Korean authorities truly want dialogue and welcome free mutual visits and total opening up, then they must ponder the grave consequences that the "Team Spirit" joint military exercise brings about.

Today, although we are sending this second letter to the South Korean authorities and the existing two political parties, this does not mean that we confine the negotiation parties to only them, nor do we limit the negotiation parties.

The political parties to be newly founded according to the political realignment in South Korea should also participate in a conference. In addition, rights should be given them as participants in the conference.

While examining various problems arising since our new proposal for peaceful reunification was made public and revealing our principle views toward these problems, and in order to hold a top-level conference involving the heads of the authorities and the leaders of political parties under these conditions at an early date, we declare priority measures as follows:

First, your side's authorities should state your determination to pull down the concrete wall, symbol of national division and North-South confrontation, without delay.

Second, considering the fact that your side's authorities have welcomed free exchanges and full opening, and that your side's authorities have claimed that a meeting of top-level responsible persons should be held, we express our viewpoint that separate top-level meetings of both sides can be held within the boundary of a conference.

Third, if a conference must be prepared, we will meet with your side's authorities and representatives of each political party individually, collectively, anytime, and anywhere at the proper time.

Fourth, in order for a conference to fully reflect the will of the entire nation, we will always open the door for negotiation to your side's authorities, the existing political parties, and any political parties to be founded.

Fifth, to resume the various suspended North-South dialogues and create a favorable atmosphere for a conference, your side's authorities should discontinue the "Team Spirit 90" joint military exercise under way at an early date.

These five urgent measures contain our sincere desire to open an epoch-making phase for national reunification by holding a conference as soon as possible.

We have the will to address other questions put forward by your side and to narrow the differences between us, if the questions are helpful to holding a conference.

Those North-South responsible politicians should not look lightly upon the fellow countrymen's voices anxious for reunification, even for a moment. And they should no longer ignore the sufferings of national division, which has lasted for about a half century.

Our new proposal for peaceful reunification and proposal for conference are a patriotic call of all politicians in the northern half to realize the desire for reunification of seventy million fellow countrymen.

We expect that you will sincerely consider our proposal for a conference conducive to paving a bright road for national reunification and the five new urgent measures, and that you will give us sincere answers.

[Signed] The second joint meeting of representatives of the DPRK Government and political parties

[Dated] 14 February 1990 Pyongyang

Committee To Send Fact-Finding Group To DMZ

*SK1502054490 Pyongyang KCNA in English 0522 GMT
15 Feb 90*

[Text] Pyongyang February 15 (KCNA)—A resolution on dispatching international fact-finding groups to the areas of both sides along the Military Demarcation Line of Korea was adopted at the emergency meeting of the Executive Committee of the International Liaison Committee for the Reunification and Peace of Korea which was held in Paris on February 10.

The resolution says:

Taking into consideration the desire of the Korean People for the Independent and Peaceful Reunification of the country,

Believing that, if a free travel and complete opening are realised between the North and the South, a decisive phase will be opened in realising the Reunification and Peace of Korea,

Demanding that the concrete wall built in the area South of the Military Demarcation Line be pulled down, and taking note of the fact that the South Korean authorities denied the existence of the concrete wall and, owing to this, a constructive dialogue might be delayed or fail, the Executive Committee of the International Liaison Committee for the Reunification and Peace of Korea decides to dispatch international fact-finding groups to the areas of both sides along the Military Demarcation Line of Korea in order to confirm the existence of the concrete wall on the spot and inform the world public of the truth.

Paris Meeting Adopts Appeal for Reunification

*SK1602005290 Pyongyang KCNA in English 1054 GMT
15 Feb 90*

[Text] Pyongyang February 15 (KCNA)—An appeal to the governments, parliaments, political parties and public organizations of all countries and international organizations was adopted at the emergency meeting of the Executive Committee of the International Liaison Committee for the Reunification and Peace of Korea held in Paris on February 10.

The appeal says:

It is natural that the Korean nation who have suffered from artificial division against their will for more than 40 years want to realise the independent and peaceful reunification of the country as soon as possible in accordance with their earnest desire.

A bright prospect opened in the way of reunification with President Kim Il-sung of the Democratic People's Republic of Korea, on the new year's day, putting forward an epoch-making proposal for pulling down the

wall between the North and the South, realising free travel and opening all doors between them in politics, the economy, culture and all other fields.

It is of primary importance in realising the new proposal for national reunification to destroy the concrete wall built in the area South of the Military Demarcation Line, the symbol of national division and North-South confrontation.

When the new proposal is put into effect, a decisive phase will be opened in realising reunification, detente and peace on the Korean peninsula.

The suggestion for convening a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part for the materialisation of this proposal is greatly conducive to preserving world peace and security.

The point is whether the South Korean authorities accept this proposal or not. The United States and the South Korean authorities, far from accepting this constructive proposal, are staging the "Team Spirit 90" joint military maneuvers, bringing the situation on the Korean peninsula to the extreme pitch of strain, and recently created a big hurdle in the way of reunification by inflicting heavy penalties upon student Yim Su-kyong and Father Mun Kyu-hyon who did righteous acts for the reunification of the nation.

We express positive support to the constructive proposal of the DPRK for removing the concrete wall, realising free travel and opening all doors between the North and the South.

We call on the governments, parliaments, political parties and public organizations of all countries, international organizations and peoples of all countries to put pressure on the United States and the South Korean authorities to immediately stop the "Team Spirit 90" joint military maneuvers, cancel the unreasonable sentence on Yim Su-kyong and Mun Kyu-hyon, release all the jailed democrats and accept the proposal for convening a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part.

SKNDF Denounces No for Merging Parties

SK1402223590 Pyongyang KCNA in English 1536 GMT
14 Feb 90

[Text] Pyongyang February 14 (KCNA)—Cho Il-min, chief of the mission of the "South Korean National Democratic Front" [SKNDF] (Hanminjon) in Pyongyang, was interviewed by a KCNA reporter today.

He told the reporter that in South Korea, No Tae-u, Kim Yong-sam and Kim Chong-pil are nowadays conspiring to form a grand conservative alliance through the merger of three undemocratic parties according to a scrupulous script of the imperialists.

The United States has resorted to back-stage manipulation to stabilize the political situation through political restructuring by a conservative alliance since 1986 when the people's struggle sharply rose to a high tide in South Korea, he noted, adding:

The fact that political restructuring was based on a U.S. script is well proved by the "report on the situation of the Korean peninsula till the year 2000" worked out by the heritage foundation of the United States in 1988, which says that a grand conservative alliance and economic growth must be achieved in order to ensure internal stability in South Korea and hold out in the North-South relations.

With a view to materialising the scenario of grand conservative alliance, the United States plotted an operation to use Kim Yong-sam, an opportunist captive to greed for the next-term governing power, as the shock force and Kim Chong-pil, a remnant of Yusin and expert in political manoeuvres, who had visited Japan several times to learn the practical technique of grand conservative alliance from the plotters of the Liberal Democratic Party, as an agent while making a behind-the-scene lobbying through such political profiteers of the "Democratic Justice Party" as Pak Chun-kyu, Kim Chae-sun, Kim Yun-hwan, Yun Kil-chung and Pak Chol-on.

The merger of three parties staged according to a script of the U.S. imperialists is a vicious political coup to maintain the anti-national, anti-democratic colonial ruling system and an offspring of the plot to set up the second Yusin system, he noted. He denounced this as an act of arrogation betraying pointblank the will of the people who created the political situation of the weak ruling party and strong opposition and a barbarous political drama insulting the elementary political usage.

The United States, in forming the grand conservative alliance, seeks to prolong the colonial system, oppose reunification and stifle democracy, he said, adding: In a nutshell, the structure of three-party merger is an anti-national structure to keep the U.S. colonial domination over this land, an anti-democratic structure of absolute dictatorship which allows a one-party solo and an anti-reunification structure of confrontation and division.

The treachery and betrayal of Kim Yong-sam will be sternly judged by history and punished.

A period of wholesale political reaction is going to be opened again with the grand pro-American compromise through the three-party merger.

Particular noticeable in the new reactionary offensive launched by the conservative reactionary force is that they trample underfoot the desire of the people for reunification and openly pursue a divisive policy, he said, and went on:

Clear evidence of this is that they are staging the aggressive and anti-national "Team Spirit 90" joint military

exercises in collusion with foreign forces, inciting military confrontation with the North, contrary to the basic spirit of North-South dialogue.

This is an undisguised threat to the South Korean people desirous of democracy and a brutal challenge to the world public opinion calling for peace and reunification. The pro-American reactionary forces, however, will meet their destruction, engulfed in the raging waves of resistance of the people.

The United States must give up trickery and underhand politics and get out of this land, and No Tae-u, Kim Yong-sam and Kim Chong-pil withdraw the intrigue of grand conservative compromise and step down from power and leave the political circles.

CPRF Denounces Heavy Penalty for Yim, Mun

SK1402222990 Pyongyang KCNA in English 1529 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its information No. 557 today denounced the No Tae-u military fascist clique for imposing heavy penalties upon Rev. Mun Ik-hwan and Yu Won-ho.

The South Korean military fascist clique staged a trial on the appeal of Rev. Mun Ik-hwan and Yu Won-ho at the puppet Seoul high court on February 10 and committed the fascist outrage of sentencing them each to seven years' imprisonment. This is a high-handed inhumane act to ostracize in prison Rev. Mun who did righteous activity for the reunification of the country at any cost, the information said, and went on:

By imposing harsh penalties upon Rev. Mun and his companion, the No group is trying to put down the growing sentiments for reunification in South Korea, threaten the democratic forces for reunification, save the unstable political situation ever worsening with the criminal merger of the three parties and prop up the colonial ruling system.

While uttering words of welcome to our proposal for free travel and a full-scale open door between the North and the South, they actually imposed heavy penalties upon those who visited Pyongyang. This proves that travel, interchange and open door on their lips are sham and hypocrisy.

The No Tae-u group must cancel at once the heavy penalties upon Rev. Mun and his companion, unconditionally release them, abrogate the fascist evil laws including the "National Security Law" which obstruct national unity and the peaceful reunification of the country, and stop the suppression of the democratic forces for reunification, stressed the information.

Cheney's Visit Compared to Dulles' 1950 Trip

SK1602105290 Pyongyang KCNA in English 1024 GMT 16 Feb 90

[Text] Pyongyang February 16 (KCNA)—U.S. Defence Secretary Cheney who flew into South Korea to command and supervise the "Team Spirit 90" war game on the spot and hasten the preparations for a war against the North, "inspected" the frontline position of the Second Infantry Division of the main force of the U.S. imperialist aggression army in the western sector of the front on February 16 and agitated a war against the North, according to a report.

His "inspection" is a very ill-boding act which reminds people of war-monger Dulles's "inspection" of the frontline in the summer of 1950 just before the U.S. imperialists unleashed the war against the North.

His "inspection" is inviting denunciation of public opinion as it is seeking to threaten us militarily by means of aggravating the military tensions and quell the sentiments for independence, democracy and reunification which are growing among the South Korean people.

The U.S. imperialists must put an immediate end to the criminal act of hindering the independent and peaceful reunification of Korea as well as all the military provocations increasing the danger of war on the Korean peninsula.

U.S. Denounced for Mobilizing More Airplanes

SK1502154990 Pyongyang KCNA in English 1524 GMT 15 Feb 90

[Text] Pyongyang February 15 (KCNA)—The U.S. imperialists brought today formations of "FA-18" pursuit and assault planes and "A-6" and "A-4" assault planes into South Korea from their overseas aggression bases in the Pacific and sent them to the sky over operational areas to stage one more joint air battle exercise together with "F-16" fighter-bombers belonging to the Seventh Air Force of the U.S. imperialist aggression forces occupying South Korea, simulating a pre-emptive attack on strategic targets in the depth and coastal areas of the northern half of Korea, in accordance with the plan of the provocative "Team Spirit 90" joint military exercises, according to military sources.

The U.S. imperialists mobilized Japan-based electronic jamming planes and early warning planes in the war games. This reckless play with fire will reportedly last for a few days.

Earlier, they kicked up a row, deploying formations of the "KC-135" refuelling planes in the air bases of the U.S. imperialist aggression forces stationed in South Korea from their aggression base in Okiwana as part of the "Team Spirit 90" war maneuvers.

And they brought scores of "C-12," "C-130" and "C-141" transports carrying a large number of ground, naval

and air forces and combat equipment to be mobilized in the "Team Spirit 90" into operational areas of South Korea from their overseas aggression bases in the Pacific in an unbroken chain in recent one week, creating a stringent atmosphere of war.

All facts clearly show that the U.S. imperialists are chiefly responsible for the aggravating situation on the Korean peninsula.

Coal Industry Agreement Signed With Soviets

*SK1602001890 Pyongyang KCNA in English 1520 GMT
15 Feb 90*

[Text] Pyongyang February 15 (KCNA)—An agreement on cooperation between the Korean Ministry of Coal Industry and the Soviet Ministry of Coal Industry was signed in Pyongyang on February 14.

The signing ceremony was attended by Minister of Coal Industry Kim I-yong and other officials concerned on our side and on the opposite side by members of the delegation of the Soviet Ministry of Coal Industry led by its Minister M.I. Shchadov and Soviet Ambassador Gennadiy Bartoshevich.

It was signed by Kim I-yong and M.I. Shchadov.

Latin American Communists Issue Korean Statement

*SK1302112090 Pyongyang KCNA in English
1008 GMT 13 Feb 90*

[Text] Pyongyang February 13 (KCNA)—The participants in the fourth Meeting of Latin American Communist Parties issued a joint statement on February 2 in support of the new proposal for national reunification advanced by the great leader President Kim Il-song in his New Year address.

The joint statement says:

The artificial division of Korea nearly half a century long rouses deep concern among the world's peace-loving people as it is the source of permanent threat to peace in Asia and the world as well as the Korean peninsula.

Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, in his New Year address for 1990 advanced a new epoch-making national reunification proposal for removing the concrete wall built by the United States and the South Korean authorities in the area south of the Military Demarcation Line, realising free travel and opening all doors between the North and the South and, to this end, convening a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part.

We express full support and solidarity for this proposal, considering it a fair proposal conducive to peace and security in Asia and the world as well as the Korean peninsula.

We strongly urge the United States and the South Korean authorities to unconditionally accept this fair and aboveboard proposal and respond to it.

The joint statement was signed by Gilberto Vieira, general secretary of the C.C., the Communist Party of Colombia, Humberto Ramirez, first secretary of the C.C., the Bolivian Communist Party, Rene Mauge Mosquera, general secretary of the C.C., the Communist Party of Ecuador, and the delegates of the Communist Parties of Venezuela, Uruguay, Peru, Chile, Argentina and Brazil and the Farabundo Marti National Liberation Front of El Salvador.

Future of Nation Under Kim Il-song Bright

*SK1502111090 Pyongyang KCNA in English
1047 GMT 15 Feb 90*

[Text] Pyongyang February 15 (KCNA)—The South Korean people's reverence for dear Comrade Kim Chong-il is growing deeper.

A professor Yi at a University in Pusan, back home from a foreign tour, told his colleagues that he had met many people revering Mr. Kim Chong-il in different countries. Ours is the greatest and most proud nation as it has such an outstanding leader, he said, adding:

Leader Mr. Kim Chong-il is a peerless, great man omnipotent in ideology and theory and in the art of leadership and a sagacious and tender-hearted man with deep knowledge and noble virtues. The future of the Korean nation under such peerless great man is bright and promising.

Another professor responded, saying: "Our nation has become all the more great because we have Mr. Kim Chong-il."

Old man Kim in a village at the foot of Mt. Taebaek told his colleagues: "When the general star rose high above Mt. Paektu, the Japs were defeated and our country was liberated. Now the lodestar is shining in the sky above Pyongyang. This is a sign that the Yankees will be driven out and the country be reunified before long."

A newspaper reporter surnamed Song in Seoul said, "Mr. Kim Chong-il is guiding the party and state affairs with the same wisdom and personality as General Kim Il-song's. The future of our fellow countrymen is bright, indeed." Then, another reporter stressed: "The leader is the brain of the revolution, the centre of unity and the steering wheel of leadership who awakens, unites and mobilizes the masses. As our nation has two great leaders and lodestars of reunification in the persons of respected General Kim Il-song and dear Mr. Kim Chong-il, the future of our country and nation is endlessly bright."

Special Article Advocates Depending on Masses*SK1502134490 Pyongyang Domestic Service
in Korean 2116 GMT 20 Jan 90*

[NODONG SINMUN 21 January special article: "It Is Our Party's Traditional Working Method To Carry Out the Revolution and Construction by Going Deep Into the Masses and by Depending on the Masses"]

[Text] Thoroughly depending on the masses is one of the fundamental principles in the activities of our party. Ever since the early days, our party has consistently maintained the policy of having functionaries go deep into the masses and struggle by depending on their strength.

Already on 1 February 1952, the great leader Comrade Kim Il-song published the historical work "The Mission and Role of the Local Organs of Power at the Current Stage."

This is a clear confirmation of the wise leadership of our party opposing bureaucratism and subjectivism and carrying out the revolutionary struggle and construction through a revolutionary method of depending on the masses.

The great leader Comrade Kim Il-song has taught: By struggling by going into the masses and by depending on them, our party has been able to victoriously advance the revolution and construction. At the same time, our party has been able to overcome the difficulties by mobilizing the strength and wisdom of the masses by trusting the masses and by going into the masses, every time it faced difficulties and trials.

Doing away with the old working method and establishing a revolutionary working method are a very important matter which is of fundamental significance in building the party and state of the working class. Particularly, they are even more important when the party and state have seized the means of production and the political power.

Our party's traditional working method was established during the days of the anti-Japanese revolutionary struggle. Already during his early days after setting out on the road of the revolution, the great leader Comrade Kim Il-song regarded the relations with the masses as a fundamental question in the destiny of the revolutionary system and, thus, ensured that the revolutionaries and commanding staff regard it an inviolable principle to carry out the revolution and construction by mingling with the masses all the time, by trusting the masses, and by mobilizing their strength and wisdom.

Under the leadership of the great leader, the Korean Communists and revolutionaries struggled while starving, and carried on the armed struggle under incomparably difficult circumstances. It was precisely during this course that the revolutionary working method of

solving problems by going into the masses and by depending on the creativity of the masses was established.

When we arrived at the stage where socialism is built up, the great leader Comrade Kim Il-song developed the traditional working method established during the anti-Japanese revolutionary struggle into one suited to the new situation of the socialist construction, thus creating the Chongsan-ri spirit and method.

Our party's traditional working method, that is, carrying out the revolution by going into the masses and depending on the masses, is a revolutionary working method which is based on the principle of the *chuche* idea. The superiority and vitality of this method are that the masses of the people are the masters of the revolution and construction and they play their role as masters.

Carrying out the revolution by going into the masses and by depending on the masses is a demand of the *chuche* idea. The *chuche* idea specifies that the masses are the masters of the revolution and construction, and the driving force to carry out the revolution and construction comes from the masses. The revolutionary outlook on the masses, which is based on the *chuche* idea, is precisely one by which one serves the masses of the people by regarding them as the masters of the revolution, and carries out the revolution by trusting and depending on the endless might of the masses. Such an outlook regarding the masses is the root of the revolutionary working method.

The party of the working class is in the position of leading the masses of the people. However, it is not something which is above the masses of the people. The party is a core force formed by the masses themselves, which serves the masses in order to seek the interests of the masses.

Functionaries who possess the firm outlook that the masses are the masters of the revolution regard themselves as unimportant. They never look down on the masses or yell at them. Looking down on the masses and yelling at them are ideological remnants of the ruling class of the old society which exploited and oppressed the working masses. Thus, it cannot be compatible with socialist society.

The vitality of the revolutionary method, that is, going out into the masses and depending on the masses, is, above all, the method of achieving unity between the party and masses.

In the revolution, the party and masses are linked to one another by destiny. Without the leadership of the party, the masses cannot display their might as the masters of the revolution and construction. At the same time, without the masses, the party cannot properly exercise its leadership over the revolution and construction.

Ties between the party and the masses cannot be established naturally. Only when the functionaries go among

the masses and wage struggles based upon them can blood ties and unity between the party and the masses be established.

Because a ruling party has power, if something goes wrong, there can emerge a tendency for the functionaries to carry out work with a bureaucratic method in which they order and direct based upon power, [kwollyoge uigohayo myongnyonghago chisihanun kwallyojuijok pangbop] not based upon the masses. This will alienate the party from the masses and weaken the masses' revolutionary fervor and positive creativity, a grave consequence.

Our party's revolutionary work method is at fundamental variance with bureaucratism. The fundamental demand of our party's revolutionary work method is that the functionaries, thinking that the popular masses are the masters of the revolution and that they are creators of history and are revolutionary comrades with whom they jointly struggle for the common cause, go among them and serve them. Therefore, our party's work method is a powerful weapon that unites the party and the masses. This is the very reason our functionaries must make it an absolute rule to carry out work based upon the masses.

The vitality of the revolutionary work method of going among the masses and carrying out work based upon them is to combine guidance and the masses and for the higher and lower echelons to single-heartedly and successfully carry out revolutionary tasks. What determines success in a revolutionary movement is how guidance and the masses are combined. In other words, how well the party, after adopting correct lines and policies that are in compliance with the objective conditions of the revolution and the demands and aspirations of the masses, leads the masses to carry out these lines and policies by themselves determines whether or there are successes in the revolution.

Guidance for the masses is none other than the party's leadership. The work of realizing the party's leadership and that of organizing the masses are not different matters but a united effort designed to strengthen the main forces of the revolution and enhance their role. Only when this work is well carried out and only when, as a result, the popular masses are organizationally and ideologically united under the party's leadership and wage a struggle based upon correct strategies and tactics, will they be able to take firm control of their position as masters of revolution and construction and be able to fulfill their responsibility and role as masters. This shows that only when guidance and the masses are combined can the revolutionary tasks be satisfactorily fulfilled and can the party and the masses fulfill their missions and duties.

For the functionaries to go among the masses and carry out work based upon them is very important in combining guidance and the masses. This is a prerequisite

that leads the party to adopt policies that are in compliance with the aspirations of the popular masses and the conditions of reality and that leads the popular masses to accept these policies and to thoroughly materialize them. Experiences show that if the functionaries go among the masses and if the higher and lower echelons cooperate in unison, then they can successfully carry out all forms of work.

The revolutionary method of going among the masses and carrying out work based upon the masses is a powerful work method that helps the functionaries overcome trials and difficulties and victoriously advance the revolution by mobilizing the masses' revolutionary fervor and creative wisdom. Difficulties and trials are laid before the revolution. A guarantee for overcoming difficulties and winning victories in the revolution is correctly mobilizing the popular masses' creative wisdom and strength. Of course, objective conditions and materialistic and technological means play a significant role in reforming and developing the nature and society. However, objective conditions and materialistic and technological means do not play a decisive role in reforming and developing the nature and society. What plays an active and decisive role in the difficult and complicated struggle to reform and develop the nature and society is the popular masses' creativity. Those who turn unfavorable objective conditions into favorable ones, and who provide powerful materialistic and technological means necessary for revolution and construction are the popular masses, and how well objective conditions and materialistic and technological means are used in a revolutionary struggle and construction projects depends upon the popular masses' creative wisdom and power.

If one is to victoriously march forward on the arduous revolutionary road filled with difficulties and trials, there can be no other way than to depend upon the strength of the popular masses. Our party has always overcome trials and difficulties based upon the strength of the popular masses and has carried out grand tasks in revolution and construction by enhancing the popular masses' creative role. When we think how we were able to overcome difficult trials during and after the Fatherland Liberation War, how we could fulfill the historic task of socialist industrialization in a short period of time, and how we could create miracles in grand socialist construction, we come to realize how powerful our party's method of carrying out work based upon the masses is.

As a result of the embodiment of the revolutionary working method of depending on the masses, our party has established blood relations with the masses, our party and the masses have become a single body, and our party has become an invincible party vigorously accelerating the chuche revolutionary cause.

All people fully depend on the party for their destiny and unflinching struggle on the road shown by the party. This is the revolutionary appearance of our party. The

impregnable blood relations between the party and the masses and invincible unity and cohesion between them are the most precious gains of our revolution, and are the fundamental source of our victories.

The working method of carrying out the revolution by going into the masses and by depending on the masses must be applied even more thoroughly, as the socialist construction is deepened and developed and as the leading authority of the party is enhanced.

Only when the functionaries properly apply the revolutionary working method according to the demand of the developing reality, can the trust of the masses of broad strata on the party be further strengthened, can they be firmly rallied around the party and leader, and can the given revolutionary tasks be brilliantly accomplished by enhancing the leading role of the party and by fully mobilizing the masses' creativity and positiveness.

Firmly arming oneself with the chuche-oriented ideology and theory of the revolutionary working method established by the great leader and developed and enriched by the dear Comrade Kim Chong-il, and embodying it are an endlessly honorable and responsible task for our functionaries.

To vigorously step up the general march to thoroughly implement the great leader's New Year address and the decision of the plenary meeting of the party held recently, our party is calling on the functionaries to go deep into the masses, to share weal and woe with them, and to struggle by pooling strength with them.

Effecting a great upsurge in the socialist construction by making the existing economic foundation to fully prove its value through the struggle for production and conservation is the intent of the party and leader, and is the basic spirit of the decision of the plenary meeting of the party.

We have all the conditions and capabilities to implement the decisions of the party. The question is how functionaries mobilize the masses' revolutionary zeal and creative positiveness by going deep into them.

Functionaries' going deep into the masses and struggling by depending on them are a guarantee for victory in the general march. All functionaries must further strengthen our party and the ranks of the revolution and must win even greater victory in the grand socialist march by further intensifying the study of the works of the great leader and the documents of the party and by struggling according to the demand of the traditional working method of our party.

Successful Speed Campaigns Enumerated

SK1502054090 *Pyongyang KCNA in English 0510 GMT 15 Feb 90*

[Text] *Pyongyang February 15 (KCNA)*—A vigorous movement for creating "90s speed" is going on in Korea. It is a great massive onward movement that helps the

already laid economic foundations fructify overall and further develops the national economy on the basis of modern science and technology.

The movement is a driving force to put spurs to the onward movement of our people who take ten steps, a hundred steps when other people take one step.

The great leader President Kim Il-song said:

"Not content with rushing forward in the spirit of Chollima, our working people are marching ahead in the spirit of Chollima plus the speed campaign."

The workers of Kangson produced 120,000 tons of steel from a bloom rolling mill with a rated capacity of 60,000 tons in 1957 after the war and builders of the capital constructed dwelling houses for 20,000 families in a year of 1958, one flat in every 14 minutes and thus created the Chollima speed and "Pyongyang Speed".

This speed evoked an instant response all over the country and wrought a wonderful miracle of fulfilling the Five-Year National Economic Plan (1957-1961) in two and a half years in total industrial output value and in four years on all indices.

In those years industrial production increased 36.6 percent on a yearly average.

The "vinalon speed" and new "Pyongyang speed", at which a large vinalon factory was built in a little more than one year and one flat in two minutes 37 seconds in the 1960s, greatly contributed to carrying out the historic task of industrialization in little more than 14 years.

Under the wise guidance of dear Comrade Kim Chong-il new speeds were created one after another and a great revolutionary upsurge was effected in all sectors of socialist construction in the 1970s.

Workers in Kangson doubled steel production in a year, creating the "Kangson speed", a new Chollima speed.

Comrade Kim Chong-il initiated the "70-day campaign" and wisely commanded it to fulfil the 1974 national economic plan.

In this course "70-day campaign speed" was created and production jumped 1.7 times over that before the campaign on an average.

With the thorough embodiment of the policy of the speed campaign, the main form of battle in socialist construction, grand monumental edifices sprang up in different parts of the country like bamboo shoots after a rain and industrial output grew 15.9 percent on an annual average in the 1970s.

The "80s speed" was created in building grand monumental edifices including the tower of the chuche idea, the arch of triumph, Changgwang Street and a large ore-dressing plant with a capacity of 10 million tons in

the 1980s, and it involved all fields of the national economy, bringing about a proud victory in grand construction.

Large hydraulic and thermal power stations, coal and ore mines, smelteries and modern metal factories were newly built or expanded and a gigantic scale of construction for developing machine-building, electronic and automation industries made successful progress. Particularly the West Sea barrage was built as one of the world's leading barrages in only 5 years at the cost of about four billion dollars.

And the first stage construction of the Sunchon vinalon complex which is two or three times as large as the west sea barrage in construction scale was completed and the building of the Sariwon Potassic Fertilizer Complex has been actively propelled. Miracles were wrought across the country. The gigantic construction projects which would have taken dozens of years, were finished in a few years. In the capital city of Pyongyang, modern huge buildings with a total floor space of about 5.5 million square metres including Kwangbok Street were erected in a matter of two years. The total floor space of dwelling houses and public establishments built in the capital city in the 80s is 2.3 times as large as that of the 70s. Thanks to the new speed created decade after decade, the economic might of the country has been markedly augmented and the cities and rural communities have been built along modern lines to radically change the looks of the country. Through the general onward movement for creating "the speed of the 90s" Korea will make another leap forward in the socialist construction.

Kim Chong-il Receives More Birthday Greetings

SK1502111690 *Pyongyang KCNA in English 1108 GMT*
15 Feb 90

[Text] Pyongyang February 15 (KCNA)—Copies of a literature reading "Congratulations To Dear Mr. Kim Chong-il, the lodestar of the nation, on his birthday" were scattered in Yiri city, North Cholla Province, according to a radio report from Seoul.

A large number of copies of the literature in the name of the Central Committee of the anti-imperialist youth union, were found around dwelling houses, by public telephone booths used by many people and other spots on the early morning of February 15. A literature of this content and one praising the great chuche idea were scattered in Kwangju, too, on the same day.

Upset by this, the fascist clique let loose police to kick up a row.

Diplomatic Corps Congratulates Kim Chong-il

SK1602003490 *Pyongyang KCNA in English 1118 GMT*
15 Feb 90

[Text] Pyongyang February 15 (KCNA)—The diplomatic corps in Pyongyang presented a floral basket and a congratulatory message to dear Comrade Kim Chong-il.

Mustafah Safarini, ambassador extraordinary and plenipotentiary of the State of Palestine who is also doyen of the diplomatic corps, called at the Central Committee of the Workers' Party of Korea [WPK] today and handed them to Kim Yong-sun, director of a department of the WPK Central Committee.

The military attaches corps here presented Comrade Kim Chong-il with a floral basket and a congratulatory letter today.

Wang Dahui, military attache of the Chinese Embassy and doyen of the military attaches corps, handed them to minister of People's Armed Forces O Chin-u.

SKNDF's Birthday Greetings to Kim Chong-il

SK1602050890 *Pyongyang KCNA in English 0435 GMT*
16 Feb 90

[Text] Pyongyang February 16 (KCNA)—Dear Comrade Kim Chong-il received a congratulatory message from the Central Committee of the "South Korean National Democratic Front" [SKNDF] (Hanminjon) on his birthday.

The message dated February 16, representing the unanimous wishes of the vanguard fighters and patriotic people of all walks of life in South Korea, extends the highest honour and warmest congratulations to dear Comrade Kim Chong-il, the wise leader of the nation, on the great holiday of February.

It points out that the dear leader Comrade Kim Chong-il has clearly indicated the way of accomplishing the chuche cause by expounding brilliant ideas and theories, strategies and policies including the programme of modelling the whole society on the chuche idea which are conducive to the treasure house of human thought, and guided in the van the grand onward movement of the three revolutions to transform nature, man and society as required by chuche, thus performing brilliant feats and achieving proud victories striking the world people with admiration.

The message continues:

The brothers and sisters in the North who are convinced that the path guided by the dear leader is the road of victory and glory without fail are now working hard to create a new "speed of the 90s" in grand socialist construction in hearty response to the calls of the party and the leader. This magnificent stamina of chuche Korea is a clear demonstration of the unshakable faith and indomitable will of the Workers' Party of Korea and the people in the North to accomplish the chuche cause full of confidence and optimism, the leader trusting the people and the latter following him, no matter what fierce storm the anti-socialist offensive of the imperialists may bring.

Noting that the people in the South have courageously traversed the road of struggle for worthy life, looking up

to Comrade Kim Chong-il as the future of the country and the lodestar of reunification, the message says:

As the national liberation movement continuously waged by our people at the cost of blood has advanced in the direction and under the chart indicated by the *chuche* idea, it has been able to usher in a proud epoch when the edge of struggle is focussed on U.S. imperialism and the struggle for democracy and reunification is accelerated in close combination.

"Hanminjon" will push ahead with the modelling of its ranks on the *chuche* idea under the militant banner of the *chuche* idea, turn the political situation more favorable for the people's struggle for independence, democracy and reunification and flexibly guide it so as to make a decisive breakthrough in the first year of the hopeful 1990s in the sacred struggle to force the U.S. troops and nuclear weapons out of South Korea, terminate the military dictatorship and reunify the country.

The message sincerely wishes Comrade Kim Chong-il good health and long life.

Literature Congratulating Kim Chong-il Found

*SK1602054290 Pyongyang KCNA in English 0501 GMT
16 Feb 90*

[Text] Pyongyang February 16 (KCNA)—Literatures congratulating dear Comrade Kim Chong-il on his birthday were scattered at Tongguk, Tanguk, Korea and other universities in Seoul on February 15, according to a radio report from Seoul.

Written in literature is: "Secretary Kim Chong-il, sun of the nation." It carries an article revering him.

The South Korean fascist clique is upset by these literatures in the name of the Central Committee of the Anti-Imperialist Youth Union which were spread in Iri, Kwangju and Seoul.

Kim Il-song Praises Irrigation Completion

*SK1602002090 Pyongyang KCNA in English 1529 GMT
15 Feb 90*

[Text] Pyongyang February 15 (KCNA)—The great leader President Kim Il-song highly praised and sent thanks to Korean People's Army soldiers, builders, their helpers and agricultural working people who have participated in the construction of 400 km channels and done a lot of work in a short period.

Thanks to their efforts, large-scale irrigation projects to round off the circular irrigation system in South Hwanghae Province by using the water of the river Taedong at the west sea barrage and the river Yesong, the second-stage project of the channel from the west sea barrage to the reclaimed tideland of South Pyongan Province, the channel to lead the water of the river Taedong to Sangwon and Chunghwa Counties and Yokpo District of Pyongyang, and the vast-scale channel

to lead the water of unit no. 5 of the Taechon Power Station to the Kwaksan Reservoir have been pushed ahead vigorously to bring the water channels into shape in the main.

Meetings to repay the thanks sent by President Kim Il-song with loyal hearts were held at the units concerned.

At the meetings, speakers vowed to complete the water channel projects before the farming season to live up to the expectation of the great leader who showed deep trust and solicitude to them who had only done the work they should do.

Resolutions were adopted at the meetings.

KCNA Hails Socialist System of DPRK

*SK1302235890 Pyongyang KCNA in English 1507 GMT
13 Feb 90*

[Text] Pyongyang February 13 (KCNA)—Korea is building the unique socialism of her own style and its advantages and vitality are fully displayed with each passing day.

The great leader President Kim Il-song said:

"Our socialist system is the most superior social system under which the working masses are the masters of everything and everything serves them".

The socialism of Korea is the most superior and unique because it embodies the *chuche* idea.

The *chuche* idea, the revolutionary doctrine championing the Chajusong of the popular masses, indicates the way of building socialism which centers on the popular masses and realises their aspirations and demands most sufficiently.

Dignity of a man is ensured, all the policies for the happiness of the people are in force and the entire people form a grand harmonious family in the socialist society of Korea where the *chuche* idea has been embodied.

The socialism of Korea makes the political rights, dignity and Chajusong of the popular masses shine on the highest level.

The entire people lead an independent and creative life to their heart's content as the genuine masters of the state and society.

The Korean people exercise political rights as the masters of the state power. In the Democratic People's Republic of Korea the state power is built up by themselves in keeping with their will and interests.

The working people take an active part in the economic management as the masters of the means of production. All the working people, as the owner of the means of production, have common interests in the development and rational management and operation of the national

economy. That is why they participate in the economic management and production activities as masters.

The working people enjoy all the political liberties and rights by holding the position of the masters of the state power and the means of production.

The socialism of Korea is the superior social system under which the state assumes full responsibility for the material and cultural life of the working masses.

The working people are given the rights to work and rest by the state and everyone has a stable job according to his hope and ability. There is no unemployed in Korea.

The state provides the working people with all conditions as far as food, clothing and housing are concerned.

All the people benefit from free education and free medical care system.

The socialism of Korea is the superior social system under which the comradely relations of cooperation between the working people and the political and ideological unity and cohesion of society are firmly established.

All the people are devotedly working for the prosperity and development of the country, giving full play to comradeship and closely cooperating with each other. The whole country is a grand harmonious family.

The comradely relations with which the people are helping, trusting and cooperating with each other are based on the principle of collectivism "one for all, all for one!"

In the Democratic People's Republic of Korea the entire people are firmly united politically and ideologically. The leader, the party and the masses unite as a socio-political integrity, forming the subject of the revolution.

Invincible is the political and ideological unity of the Korean people rallied close around the great leader President Kim Il-song and dear Comrade Kim Chong-il.

Working Class Loyalty to Party 'Stronger'

SK1502103590 Pyongyang KCNA in English 0959 GMT
15 Feb 90

["Our Working Class Is Vanguard Detachment of Revolution Infinitely Faithful to Cause of Party"—KCNA headline]

[Text] Pyongyang February 15 (KCNA)—The working class of Korea is a faithful class which upholds the party and the cause of revolution with a higher degree of revolutionary spirit as revolution and construction enter a high stage. The resolute class consciousness of our working class and its loyalty to the party and the leader and its vanguard role are growing stronger with the advance of revolution.

NODONG SINMUN today says this in a signed article headlined "Our Working Class Is the Vanguard Detachment of Revolution Infinitely Faithful to the Cause of the Party."

It is the mission and intrinsic nature of the working class to uphold the leadership of the party, the article points out, and goes on:

The great leader Comrade Kim Il-song said:

"Today our working class is advancing vigorously in the van of socialist construction, faithfully supporting the party's leadership and is fulfilling its mission as the leading class of the Korean revolution with credit."

The noble trait of our working class upholding the party and revolution with allegiance is clearly manifested in carrying forward the high revolutionary spirit which was fostered and displayed under the most difficult circumstances in the past.

Our working class is now firmly believing and following its party and leader invariably as they did in the period of the building of a new fatherland and postwar rehabilitation and construction and is creditably discharging its class mission to defend our party with faith and obligation under any circumstances. This is why the class foundation of our party is unshakable.

The loyalty of our working class to the party and the cause of revolution is expressed in the fact that they are performing heroic feats in the struggle to materialize the far-reaching plan of socialist construction unfolded by our party and filled with the firm determination to bring the cause of the party to completion generation after generation.

It is the brilliant fruition of the wise leadership of our party that our working class has become powerful ranks with a high degree of revolutionary spirit and militancy.

Our party set it as the foremost task of its work and activity to strike its roots deep among the working class and strengthen the ties of kinship with them and has exerted all its efforts to this end.

Our party has consistently intensified political and ideological education and organisational training among the working class to meet the demands of socialist construction at its new higher stage.

The exploits of our party in having made the working class of Korea a leading class of revolution with such a high revolutionary spirit and militancy today will shine more brilliantly with the advance of the revolutionary cause of chuche.

Sinpa Youth Mine Commissioned in Northern Area

SK1502110590 Pyongyang KCNA in English 1045 GMT
15 Feb 90

[Text] Pyongyang February 15 (KCNA)—A modernly-equipped Sinpa youth mine in the Northern inland area

of Korea went into operation. The mine will annually turn out nonferrous metal ores of hundreds of thousands of tons.

A waste water settling basin, a 30 odd kilometre long road, dwelling houses for more than 400 families, a house of culture and so on have been built successfully in the mine area.

Korea is expediting the development of mines in the ore-rich Northern inland area. The Sinpa youth mine is one of those mines.

Its commissioning ceremony took place on the spot on February 14.

Chongdan-Tokdal Railway Begins Operation

SK1602000290 Pyongyang KCNA in English 1502 GMT 15 Feb 90

[Text] Pyongyang February 15 (KCNA)—A 15.2-kilometre railroad from Chongdan to Tokdal in Chongdan County, South Hwanghae Province, was opened to traffic.

Through this new line the high-grade ores excavated at the promising Tokdal Mine will be transported to the Sariwon Potassic Fertilizer Complex in time.

It will also help towards increasing agricultural production and providing traffic convenience to the people in the Chongdan district.

Its opening ceremony was held on February 14.

*** Achievements in Land, Sea Transport Reviewed**

902C0092A Pyongyang NODONG SINMUN in Korean 16 Nov 89 p 3

[Article by Staff Reporter Yu Ki-pung: "Still More Freight Fanning the Fire of Combined Transportation—In Commemoration of Land, Sea Transportation Day"]

[Excerpts] In an environment where the struggle to illuminate the last year of the 1980's in a meaningful manner, to greet the election of deputies of provincial, municipal, and county people's assemblies with intense political fervor and shining labor achievements is energetically under way everywhere in the country, party members and transportation warriors of the land and sea transportation branch solemnly commemorate their red-letter day—Land and Sea Transportation Day. [passage omitted]

The great leader Comrade Kim Il-song taught: "Replacing railways with heavy-duty and modernized ones, developing truck and water-borne transportation, and improving transportation organization, we must satisfactorily ensure the growing transportation needs of the people's economy."

The dear Comrade Kim Chong-il, who goes forward to make the great leader's grand plan blossom brilliantly,

always directing deep attention to strengthening and developing land and sea transportation along with railway transportation, had led the functionaries and working class of this branch along the one road of victory.

The dear Comrade Kim Chong-il, personally visiting many harbors such as Hungnam Harbor, clearly illuminated the direction and methods of organizing the harbors into modern transportation bases, and sagaciously led the struggle for realization.

Our land and sea transportation, which began from the ground up in bygone days under the sagacious leadership of the great leader and the party, has changed its face completely today into a chuche-oriented, modern, large-scale transportation branch.

With the truck production base ever more solidified, demonstrating the might of a self-reliant economy, the material and technical foundations of the truck transportation branch have been made firmer in step with the increased truck production, and with modern roads built throughout the country, fresh innovation has occurred in the transportation operation of this segment.

In particular, freeways connecting Pyongyang and Wonsan, Wonsan and Kungangsan have been constructed, and with Pyongyang-Kaesong Freeway and other large-scale road construction projects energetically pushed, bright prospects have come to be opened up for more brilliantly implementing the party guideline for combined transportation.

Again, with the completion of construction projects for the Sohae floodgate along with Mirim, Ponghwa, Songchon, and Sunchon floodgates, and with new wharves and shipping lanes put in place, the way to further develop water-borne transportation has been opened, and general ports such as Nampo and Hungnam have been transformed into modern ones.

The trading port freight passage capacity has increased nearly six-fold over the last dozen years or so, while the on-board loading capacity has increased over eight-fold. As a result, the export freight volume has increased no less than 14-fold in the same period.

Truly under the sagacious leadership of the great leader and the party, land and sea transportation has developed by leaps and bounds.

Today party members and transportation warriors of the land and sea transportation branch, as they commemorate Land and Sea Transportation Day in a meaningful manner, are moving forward more vigorously stoking the fire in the struggle to increase transportation capacity with an ever more intense fervor to satisfactorily insure the daily growing transportation needs of the people's economy.

Party members and transportation warriors under the General Bureau of Land Transportation, are planning

and coordinating transportation organization and command with a view to hauling even more freight. To do this they have embarked on the struggle to raise the use ratio for transportation vehicles.

Amid the flame of this struggle the transportation administration bureaus of South Pyongan, Yanggang and North Pyongan Provinces, keeping up the spirit of having fulfilled their October quotas, are moving forward at the forefront of the effort to fulfill the annual quotas.

The transportation warriors of Long Distance Truck Transportation Unit 1 of Pyongyang and Sogum Truck Transportation Unit of Sukchon, vigorously fanning the fire of the transportation increase struggle with infinite loyalty to the party, demonstrated the proud achievement of fulfilling their annual quotas by the end of October, ahead of schedule.

Transportation warriors under the Ministry of Marine Transportation, deeply aware of the importance of water-borne transportation in the overall transportation picture, rose up with fervor to bring about a great turnaround in river and sea transportation.

Transportation warriors of the General Bureau of Harbors, with a view to hauling still more freight faster to important plant construction sites and various other branches of the people's economy are mounting a positive battle to insure the full operation of all the loading and unloading facilities and increase the volume of harbor freight passage.

The Nampo and Chongjin harbor workers, resolved to complete their annual quotas within this month, and keeping up the spirit of having fulfilled the October quotas, are each fulfilling more than 120 percent of their daily freight passage volume quotas.

The fervor of transportation warriors of the General Bureau of Sea Transportation is ever more intense.

Many ships under the general bureau such as foreign trade freighters Pyonghwa, Paengma-gang and Taedong-gang, thanks to the dynamic struggle of the bureau transportation warriors, overfulfilled their annual quotas as of the end of October.

With a view to bringing about a turnaround in river transportation, the Taedong River transportation warriors and those of the General Bureau of River Transportation are also further enhancing their transportation achievements.

On the occasion of Land and Sea Transportation Day this branch's party members and transportation warriors are going forward ever more vigorously, fanning the fire to continue the transportation struggle in order to respond with loyalty to that trust, to that love of the great leader and the party with still greater future transportation achievements.

Article Condemns Merger of Three Parties

SK1202124590 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT
2 Feb 90

[Editorial Bureau special article: "Let Us Smash the Maneuvers for Founding the New Party Through the United Struggle of All of the Democratic Forces"]

[Text] Another political coup d'etat without a gunshot, which challenges our people who urgently aspire for independence, democracy, and reunification took place in this land, and, as a result, a grave situation has been created there. In a small closet in Chongwadae No Tae-u, Kim Yong-sam, and Kim Chong-pil perpetrated the antinational, antidemocratic, and antireunification realignment of the political structure through a lightning and surprise method, which is reminiscent of military operations. The 22 January realignment of the political structure perpetrated by the three men is a reactionary offensive and a political trick unprecedented in the more than 40-year history of constitutional government in South Korea.

The merger of the Democratic Justice Party [DJP], the Reunification Democratic Party [RDP], and the New Democratic Republican Party [NDRP], which committed the realignment of the political structure, was perpetrated according to the scenario written by the United States, the ruler of the colony and is, therefore, a direct product of the crisis in the U.S. colonial rule over South Korea. Standing behind all political events which took place in the past in South Korea, where the colonial fascist rule is being perpetrated, was precisely the United States. This is a secret already known to the world.

The days when the expectation toward and hope for democracy and reunification—with which our masses were so bouyant—were brutally trampled underfoot overnight by the 16 May military coup d'etat and the 17 May outrage, which were perpetrated under the instigation of the United States, and the days when the valuable fruition of the bloody June resistance was frustrated by the United States still remain in our memories.

The realignment of the political structure this time shows once again that when it faces a crisis in its colonial rule over this land, the United States resorts to all forms of vicious and base methods in order to extricate itself from the crisis. The plot to found the new party, which was concocted by the Yusin remnants and the main elements of the Fifth Republic—who committed indelible crimes before the country and the nation—and by the ugly person who has been embraced in the bosom of the dictator while betraying the masses who have struggled for democracy, shedding blood, was perpetrated in accordance with the demands and interests of the United States.

Extremely embarrassed by the crisis in its rule caused by the increasing aspirations of our masses for independence, democracy, and reunification, the United States

has concocted a plot to stabilize the political situation through a realignment of the political structure by means of the alliance of the conservative forces and has tried to realize it ever since 1986. Such a plot of the United States became more unscrupulous under the unstable political situation of the weak ruling party and the strong opposition camp, which was created in the wake of the 26 April general elections. This plot has finally led to the recent merger of the three political parties, a political coup d'etat, and the second Yusin.

However, the U.S. attempt to patch up the current crisis in its rule over South Korea through the merger of the three political parties with the No Tae-u military fascist group as the main axis and by rallying the pro-U.S. rightist, conservative forces around the group is indeed a futile attempt.

Our masses are not the masses of the past. They are the masses who, after crossing the formidable hills of the 19 April and 18 May resistances, became conscious of their strength on the days of the 10 June resistance and who have now firmly believed that the anti-U.S. struggle is the only way for national survival.

The situation has advanced far as compared to the sixties and the seventies when the United States and the military fascist forces threatened our masses by bayonet and clamored that this land was a place where there were no anti-U.S. sentiments. Our masses have awakened and have been tempered politically through their protracted, sanguinary struggle. This has been eloquently proven not only by the anti-U.S. movement for independence, which is being constantly waged throughout the country, but also by the rapid growth of the national and democratic movement forces, which is widely expanding among the people from all walks of life, including youths, students, dissident organizations, workers, and farmers.

Although it perpetrated, at last, the merger of the three parties with great expectations from them, the United States cannot patch up the current crisis in its colonial rule over South Korea. The merger into one party of the DJP, which has been known as a treacherous, nation-selling, and fascist party seeking division and confrontation; the NDRP, which has been condemned as a semi-ruling party and [word indistinct] party; and the RDP, which is nothing but a private political party of Kim Yong-sam who has walked on a tightrope between the ruling party and the opposition party, trying to realize his wild ambition for political power; will not be able to stop the U.S. colonial rule over South Korea.

The merger of the three parties of the DJP, the RDP, and the NDRP is a result of the intrigue designed to realize one-party dictatorship and seize permanent reins of power under the pretext of a realignment of the political structure.

The DJP of No Tae-u, who is attempting to seize permanent reins of power, has reached a stage where, because of the reactionary nature of its policy and the vulnerability of its organization, the party cannot realize

its ambition for prolonging the reins of power under the framework of the present four party system. Such being the situation, the DJP has reached a stage where it cannot help but unfold the political drama of merging the three parties into one party according to a scenario for the alliance of the conservative forces written by its U.S. boss so that it can surmount such a weakness and realize its wild ambition for prolonging the reins of power.

The RDP of Kim Yong-sam and the NDRP of Kim Chong-pil, as well, have the same situation. In other words, Kim Yong-sam and Kim Chong-pil, who have frantically sought a chance for holding the reins of power, have colluded with the DJP according to the instigation of their U.S. boss for an alliance of the conservative forces so that they can extricate themselves from the predicament that they are faced with today and realize their wild political ambitions. Such a fact tells us that the merger of the three parties of the DJP, the RDP, and the NDRP is precisely a joint production of the DJP, which is seeking the permanent reins of power, and the RDP and the NDRP which have coveted power.

The three parties of the DJP, the RDP, and the NDRP are, in fact, parties of the same color in perpetrating nation-selling and treacherous acts. They are the parties that cannot maintain the present dictatorial power nor can they execute their vested rights without the support and help from their U.S. boss. By founding a new party, these gangsters are frantically scheming to build a political system favorable for realizing their ambition for holding the permanent reins of power through one-party dictatorship.

Furthermore, what we cannot overlook is the fact that the RDP, which opposed the fascist dictatorship at one time, claiming to be the standard bearer of democratization, and Kim Yong-sam, the president of the party, have joined hands with traitor No Tae-u, the ringleader of fascism. This is a breach of faith against the fallen patriots who struggled for democracy and the people who want to end the military dictatorship. The anti-democratic act of the RDP, which has betrayed the will of the people and the treacherous act of Kim Yong-sam, who has sought his own political interest, will not be able to escape the condemnation of history and the nation.

The antinational act of the No Tae-u ring which, turning away from national reunification, the long-cherished desire of the nation, produced the drama of merging the three parties in a bid to create a favorable political (?structure) for realizing the criminal two-Koreas plot, following the U.S. boss, cannot be concealed with anything.

Our masses still remember the fact that 20-odd years ago, challenging the burning (?desire) of the nation for national reunification right after the announcement of the 4 July North-South joint statement, the Yusin fascist group drove the entire country into a state of fascist frenzy by declaring the Yusin dictatorial system, thus

building a barrier on the road of national reunification. Our masses will by no means tolerate such a criminal, antireunification act committed by the splittist forces at a time when the nations' desire to achieve national reunification by putting an end to the history of national division is further increasing.

The merged system of the three parties of the DJP, the RDP, and the NDRP is a system of subjugation and treachery designed to continuously maintain and prolong the U.S. colonial rule on this land. It is not only a closed, military dictatorial system designed to infringe upon human rights and democracy, running counter to our masses' demands for democratization, but is also the system of permanent split designed to block the desire of the nation for reunification and to build the barrier of division higher.

Because of the realignment of the political structure perpetrated this time by the United States and its followers, a new gloomy political situation has been created on this land. Our masses' desire for independence, democracy, and reunification will be more brutally trampled underfoot amid the knife wielding of the military dictatorial group. Their anti-U.S. and antifascist struggle for independence, democratization, and national reunification will encounter a graver challenge.

Those who have again committed an indelible great crime against history and the nation are now using all sorts of jargon in a bid to conceal their dirty appearance and to soothe the people's indignation with all sorts of honeyed words. However, the ring of No Tae-u, Kim Yong-sam, and Kim Chong-pil will not remain unpunished no matter how hard it may scheme to conceal its real intent and to mislead the masses' protest.

Today's gloomy situation calls for the united struggle of all of the democratic forces in this land. At this serious moment, all conscientious persons should not assume an indifferent attitude toward this struggle nor should they turn away from it. They also should not expect any stability under the military fascist system.

At this moment, when an acute confrontation has become imminent, escaping reality and hesitating to take stern action are precisely acts of compromise. And the act of compromise means not only allowing the founding of the new party, which is synonymous with the permanent reins of power of the military dictatorship, but also becoming the slaves of political power.

The master of destiny is our masses themselves. Accordingly, whether the maneuvers to found the new fascist party can be smashed or not depends totally on how our masses will struggle in the future. The masses and figures from all walks of life who have been oppressed and treated with contempt under the protracted military

fascist rule should join the struggle to smash the new party founding maneuvers to prolong the brutal military rule in this land.

Now is the time for those who want independence, democracy, and reunification to join the ranks of the genuine national and democratic movement to smash the alliance of the conservative forces. When all of the democratic forces firmly unite as one and vigorously wage the struggle to smash the new party founding maneuvers by the three parties, no fascist forces can be maintained.

History has taught that there has existed no dictator in the world who could stand against the united strength of the masses who have risen up in the struggle to realize their just cause. The masses from all walks of life and all of the democratic forces in this land should keep in mind this historic truth, should [word indistinct] the (?experience) attained in the struggle in the past for independence, democracy, and reunification, and, thus, should struggle against the pro-U.S. rightist, fascist forces with united strength. They should see to it that the great outcry of the pannational struggle to sternly oppose and reject the fascist realignment of the political structure and to check and frustrate the new party founding maneuvers reverberates everywhere in the country, including university campuses, various opposition and dissident organizations, and the religious circles.

The struggle of the masses from all walks of life to check and frustrate the new party founding maneuvers should be directed toward an anti-U.S. struggle. It is the United States which instigated the alliance of the conservative forces. The ringleader who manipulated the realignment of the political structure and the new party founding maneuvers is also none other than the United States.

The United States is the shameless aggressor who does not hesitate to do anything when so doing is deemed necessary for its colonial rule in this land, while disregarding our masses' interests. Without putting an end to the U.S. domination over and subjugation of our masses, the democratic development and independent reunification of the country that our masses want cannot be realized.

Our masses should awaken themselves once again and kindle awesome flames in the anti-U.S. struggle to put an end to the U.S. domination and intervention. Thus, they should sternly smash the criminal U.S. maneuvers to achieve stability in their colonial rule. When the will of our masses for independence, democracy, and reunification is rallied under a single rank of struggle and [words indistinct], the criminal plot of the pro-U.S. rightist forces to found the new party will be frustrated and, thus, a new political climate will be created in this land.

South Korea

Cheney's Talks With ROK Counterpart Viewed

SK1502131190 Seoul YONHAP in English 1200 GMT
15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—U.S. secretary of Defense Richard Cheney suggested Thursday [15 February] that the United States wants to withdraw 5,000 non-combatants of its 43,000 forces stationed in South Korea by 1993, South Korean Defense Ministry officials said.

The defense secretary also asked Korea to increase its direct contribution to the cost of stationing troops to 680 million U.S. dollars from the current 300 million dollars, the officials said.

Cheney made the suggestions when he met with his Korean counterpart Yi Sang-hun to discuss U.S. troop cutbacks, increased burden-sharing for the upkeep of U.S. Forces here and the relocation of U.S. bases out of the metropolitan Seoul.

Minister Yi balked at the U.S. request for a sharp increase in cost-sharing but said his country is willing to gradually increase the amount "within the limit of its ability," according to the officials.

Yi and Cheney agreed on the need to maintain close consultation on that issue and decided to take into account the size of Korea's economy, its economic growth rate and comparative contribution by other countries in the free world in determining the level of cost-sharing, the officials said.

The two sides agreed to complete the relocation of the U.S. bases in Yongsan, downtown Seoul, by mid-1990s, and sign a basic memorandum of agreement concerning the relocation before the end of the first quarter this year, while continuing to hold working-level discussions for follow-up steps, the officials said.

The two countries shared the view that the relocation plan should be pursued as a part of efforts to guarantee a more stable stationing environment for U.S. troops in Korea and to move military bases out of the metropolitan area to allow for the balanced development of the city, the officials said.

The relocation will be implemented independently from any reduction or change in the role of U.S. Forces in Korea but will be modified to take into account any future changes or reductions, the officials said.

Yi and Cheney stood firm in maintaining deterrence against North Korean hostilities by agreeing that the strategic environment in Northeast Asia, including the Korean peninsula, is still volatile and uncertain and that any abrupt changes in the status of U.S. troops would not be in the interest of South Korea and the United States, the officials said.

It was also agreed that any changes affecting the presence of U.S. Forces in Korea would be gradual and implemented in a manner to assure them of maintaining firm deterrent to war on the peninsula, the officials said.

"I have emphasized that it is the intention of the United States to maintain a military presence on the Korean peninsula in keeping with President Bush's assurances last year. The threat to peace on the peninsula has not changed," Cheney told a joint news conference after the meeting.

"We are not going to move precipitously, our commitment remains strong. The threat remains undiminished," the defense secretary said.

Cheney also said details on the timing and the scale of the troop pullout will be further be discussed between the two countries and suggested that the first-stage reduction will may take place from fiscal year 1991 within the limits of not weakening U.S. Security commitment to South Korea and combat capability of the U.S. servicemen.

Cheney, here on his first leg of a two-week Asian tour that takes him also to Japan and the Philippines to respond to U.S. congressional demands for reassessment of the U.S. military role in the Pacific, met with President No Tae-u earlier in the day and Foreign Minister Choe Ho-chung later.

Yi and Cheney also exchanged views on the possibility of changing the command system of the Korea-U.S. Combined Forces Command (CFC) to appoint a Korean general commander of ground forces under CFC, the officials said.

Cheney said during the news conference that the two sides made progress in discussing the combined military structure but did not give further details.

Yi hinted there may be discussions between South and North Korea, which were divided at the end of World War II and have remained technically at war since the Korean war (1950-1953), on possible disarmament.

"Consultations on reduction of U.S. troops and changes in their role are partly aimed at calling on North Korea to take visible steps toward easing tensions on the peninsula. If there are any changes in the status of the U.S. military presence in Korea, we would expect North Korea to respond in a manner to reduce tensions on the peninsula," Yi said.

"If North Korea responds positively, it might provide an opportunity to discuss measures to ease tension in the peninsula," he said.

The two ministers did not refer to the possible discussions on such matters as Korea's shouldering of the cost of base relocation and the transfer to the Korean side of operational control over the Korean forces.

The officials said the two issues were not discussed in detail.

Cheney Talks With Defense Minister Yi Analyzed

SK1602063590 Seoul YONHAP in English 0616 GMT
16 Feb 90

[By Hong Sang-pyo]

[Text] Seoul, Feb. 16 (YONHAP)—South Korea and the United States have moved toward redefining their military relationship, which they have called a pact between "blood allies," by agreeing in principle to gradually reduce the U.S. military presence in Korea and change the role of those troops that remain. But U.S. defense secretary Richard Cheney promised Korean Defense Minister Yi Sang-hun, in a gesture of unity and in recognition of the Korean peninsula's strategic importance, that his country will stand firm against any potential hostilities by reaffirming its unwavering commitment to the security of South Korea.

In a 90-minute meeting between defense officials from the two countries Thursday [15 February], Cheney told Yi the United States intended to withdraw 5,000 non-combatants out of its 43,000 forces stationed in Korea over the next three years under a plan to readjust its forces in the Pacific, Korean officials said. The defense secretary also asked that Korea increase its direct contribution to the cost of stationing troops here to around 700 million U.S. dollars from the current level of about 300 million.

Although there seemed to be no resolution of the two major issues, Yi told a joint news conference after the meeting that his country had agreed in principle to a phased withdrawal of the U.S. troops but that the specific number would be decided later through close consultations between the two sides.

Yi also said he made it clear to Cheney that Korea is willing to increase cost-sharing on a gradual basis within the limits of its ability, an indication that Seoul may eventually accommodate the U.S. request on this hotly controversial issue between the two countries. Yi suggested Korea is ready to pay approximately 8 million dollars for the medical costs and severance fees of 18,000 Koreans working at the U.S. military bases in the country.

The Korean Government estimates its annual spending on the upkeep of the U.S. Forces at nearly 300 million dollars in direct payments and another 1.9 billion dollars to lease land for military facilities and installations. But the United States refuses to count the indirect contribution and claims Korea's actual outlay is only the 300 million dollars, just over 10 percent of the 2.1 billion dollars for the upkeep of its troops stationed under a 1954 mutual defense treaty.

Cheney's bid to double Korea's burden contradicts an agreement reached in the annual security consultative

meeting last year that Korea would increase its share by 30 million dollars this year, 40 million in 1992 and 50 million in 1993 to strengthen combined combat capability, the officials said.

In return for accepting the troop cutbacks and burden-sharing plan, the United States repeated its stereotyped commitment to the defense of Korea in an apparent bid to appease its ally. Security is given top priority in Korea and reports of a U.S. withdrawal draw a sensitive response.

Cheney told the same news conference that the United States had no intention of totally removing its troops from Korea, noting that the threat from North Korea has not diminished.

"As long as there is a threat to the Republic of Korea and as long as the people of the Republic of Korea want our troops to be here, we will be here," Cheney said. But he made it plain that the U.S. role in the military alliance between the two nations must change, saying, "We talked about the U.S. playing more of a supportive role in the future than we have in the past as Korea takes the lead."

His remarks can be construed as implying that Korea has admitted the inevitability of U.S. troop cutbacks as well as of shouldering a greater share of the cost of stationing forces, both of which can bring uneasiness to the Korean side.

They can also be seen as signaling that there will ultimately be some changes in the status of U.S. Forces in Korea: Such as the transfer of operational control of the Korean Armed Forces to Korea, the dissolution of the combined field army under the Korea-U.S. Combined Forces Command (CFC) and appointing a Korean general to head the ground component command under the CFC.

Yi said both sides had also agreed in principle on some changes proposed by the United States regarding status of U.S. Forces in Korea.

Cheney is here on the first leg of a two-week Asian tour that takes him also to Japan and the Philippines in response to U.S. congressional demands for reassessment of the U.S. military role in the Pacific. In a fresh move, the two sides hinted there may be disarmament talks between South and North Korea, which were divided at the end of World War II in 1945 and have remained technically at war since the Korean War (1950-53).

"Consultations on a reduction of U.S. troops and changes in their role are partly aimed at calling on North Korea to take visible steps toward easing tensions. If there are any changes in the status of the U.S. military presence in Korea, we expect North Korea to respond in a manner to reduce tensions on the peninsula," Yi said. The Korean defense minister said that if North Korea

responds positively it might provide an opportunity to discuss measures to ease tensions on the peninsula.

On the relocation of U.S. bases, the presence of which in the heart of the capital hurts the pride of Koreans, the two sides agreed to complete the move by the mid-1990s and sign a basic memorandum of agreement concerning the relocation before the end of the first quarter of this year. The two countries have yet to decide which side will shoulder the cost of the move to near Taejon, Osan or Pyongtaek, all South of Seoul. Relocation is hardly expected to satisfy some Koreans, mainly dissidents, radical students and liberals, who demand the entire removal of the U.S. troops on the grounds that they hamper reunification with North Korea.

Public opinion polls show, however, that most Koreans want American servicemen to remain as long as North Korea's hostile attitude toward the South is undiminished.

Editorial Considers Reduction of U.S. Forces

*SK1502040290 Seoul THE KOREA TIMES
in English 15 Feb 90 p 6*

[Editorial: "Korea-U.S. Defense Consultations"]

[Text] Drawing keen attention is today's discussion of the future of the American forces stationed in Korea between the top defense officials of the two allies—U.S. Defense Secretary Richard Cheney, who flew into Seoul yesterday evening leading a 16-man official suite and Defense Minister Yi Sang-hun.

Cheney's four-day visit, during which he will meet President No Tae-u, is believed to be intended to enable him to grasp the situation on the spot as he must present to the U.S. Congress a report on the redeployment of the American forces in three Asian countries—South Korea, the Philippines and Japan—in April as required by the Nunn-Warner resolution adopted by the U.S. Senate Armed Services Committee.

Among the major issues the Korean and U.S. defense chiefs are expected to discuss are a reduction of the 43,000-strong American forces, an increase in Korea's burden-sharing in the upkeep of the U.S. forces, the relocation of the U.S. military compound in Yongsan to a provincial area, and ways of transferring operational command to the Korean Armed Forces from the U.S. military.

Our concern is growing about the results of the Seoul talks with the United States, which take place against the backdrop of a U.S. Defense Department announcement late last month that it will close its air force bases in Kwangju, Taegu and Suwon between mid-1990 and mid-1992 as part of its efforts to reduce its defense budget.

Also to be noted in connection with Cheney's Seoul visit is the news report published Wednesday by New York's Wall Street Journal that Secretary Cheney will discuss

with his Korean counterpart a troop reduction of 5,000 in the near future and a further reduction of more than half of the remaining 38,000 American forces posted in Korea over a period of some years.

While we have to be concerned about what the defense chiefs will discuss and what will be the outcome of their talks, the more serious issue now to be raised concerns the current defense situation on and around the Korean peninsula.

In fact, the environment has changed. In the wake of democratization and door-opening reforms taken in most East European countries since last year, the U.S. and Soviet foreign ministers have recently come to refer to a joint effort to ease tension on the Korean peninsula by removing the "Korean Wall" dividing South and North Korea through peaceful inter-Korean dialogues, with somewhat optimistic predictions being made as to the potential for change of North Korea.

There is no tangible change as yet to be seen in the inter-Korean situation. There are no signs yet of any change in North Korea's military structure featuring its heavy deployment of high-speed offensive forces close to the truce line near Seoul.

Noteworthy in this regard is the recent testimony made by Gen. J. Colin Powell, chairman of the U.S. Joint Chiefs of Staff, at a U.S. Congress hearing to the effect that inter-Korean dialog has thus far failed to convince us that North Korea really wants any change to its hostile relations with the South.

The primary and essential role of the American forces in Korea is to deter North Korea from provocative acts or triggering another Korean war. In addition, the stationing of the U.S. forces in Korea has a globally strategic bearing, checking Soviet military trusts toward Northeast Asia and the Pacific rim.

In light of these aspects of the U.S. military presence in Korea, there must be limitations to reduction and restructuring of the American forces posted here.

The U.S. administration and defense authorities may need to reduce the American forces in Korea under Congressional pressure as a result of the sustained U.S. fiscal deficit and anti-American sentiment among a small number of Koreans.

However, it is hoped that the Korea-U.S. defense talks will place great emphasis on how to induce North Korea to accommodate our bid to ease tension on the Korean peninsula by exploring solutions to the restructuring of American forces here so as to avoid shaking the balance of military power on the peninsula under any circumstances.

Editorial on U.S. Presence, Reality of North

SK1502020090 Seoul THE KOREA HERALD
in English 15 Feb 90 p 8

[Editorial: "ROK-U.S. Alliance"]

[Text] Reshaping the mode of the U.S. military presence here and diminishing its size will be discussed in earnest during U.S. Secretary of Defense Richard E. Cheney's visit to Seoul this week. His current tour of three East and Southeast Asian nations, namely Korea, Japan and the Philippines, is a fact-finding mission to prepare a report to the U.S. Congress on the redeployment of American troops.

Cheney's meeting with Korean officials are likely to focus on the scale of an immediate cutback in the U.S. troop level in Korea, an increase in Korea's share for the upkeep of the U.S. forces and the proposed transfer of operational control over Korean armed forces to the Korean side. The issue of relocating the U.S. military complex in Yongsan to a provincial area will be part of the negotiations.

Eventual reduction of U.S. troops here and elsewhere is inevitable considering both the domestic and international situations. The deficit-ridden Washington government is obliged to scale down its military presence overseas while the surging mood of worldwide detente serves to encourage disarmament.

In the midst of these positive global developments North Korea remains the sole dark spot—unchanged and obstinate. There has been no convincing evidence so far that the Communist regime in Pyongyang is ready to give up its revolutionary and belligerent policy in favor of dialogue and accommodation.

This hard fact of life should not escape our attention in the flurry of euphoria and wishful thinking over the present outlook of the world situation. any reduction in U.S. troops in Korea must be undertaken with caution and in a step-by-step manner so as not to affect the fundamental balance of power on this peninsula and the deterrent edge of the ROK-U.S. alliance.

This part of the world should be the last place where the defense preparedness of the United States and its free allies is weakened before a new and favorable security order is solidified. Appreciation of this reality and of the common strategic interests of Seoul and Washington is the basis of the meaningful and equitable military partnership of the two allies.

Continued strong defense commitment is our main deterrent and the leverage that could nudge Pyongyang toward an open and conciliatory course.

Sentence Asked for Vandals of U.S. Envoy's House

SK1502051690 Seoul YONHAP in English 0500 GMT
15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—The prosecution demanded four to six years in jail Thursday for the six South Korean students who occupied the U.S. ambassador's residence in Seoul in October to dramatize their calls for an end to market-opening pressure and alleged American intervention in Korea's internal affairs.

Yi Tae-chun, 22, a senior at the Hanshin Theological Seminary, and five other radical students, armed with firebombs, were arrested on the scene Oct. 13 after a 50-minute protest inside Ambassador Donald Gregg's home.

Reliance on U.S. as Export Market Declining

SK1502035290 Seoul THE KOREA TIMES in English
15 Feb 90 p 8

[Text] Korea's heavy reliance on the United States for exports has been steadily declining since 1986 when Korea recorded a trade surplus for the first time.

In contrast, Asian countries have emerged as the largest market for Korean products.

According to a final tally by the Trade-Industry Ministry, total exports for last year amounted to \$62.377 billion on a customs clearance basis, up only 2.8 percent over 1988.

Of the aggregate exports, Asia accounted for 37.5 percent including 21.6 percent for Japan, followed by the United States with 33.1 percent and Europe with 14.3 percent plus 11.9 percent for the 12-member European Community.

The U.S. share of the last year's exports showed a 3.6 percentage-point decrease from 1988.

In 1986, the United States shared a high of 40 percent of the nation's shipments in contrast with 28 percent for Asia.

Exports to the European Community last year decreased by 9.1 percent from 1988.

Meanwhile, last year's imports recorded \$61.465 billion, a 18.6 percent increase over 1988.

Imports from the United States and the EC rose 24.7 percent and 7.5 percent, respectively.

The trade account registered a \$912 million surplus last year, a sharp decline from the \$8.886 billion recorded in 1988.

Specifically, last year's trade surplus with the United States dwindled by \$3.919 billion to \$4.728 billion and that with the EC declined by \$1.189 billion to \$901 million.

But trade deficit with Japan increased by 467 million to \$3.992 million.

by item, exports of automobiles went down by 34.5 percent, followed by toys (down 9.1 percent), footwear (down 5.6 percent) and plastic products (down 0.4 percent).

On the other hand, imports of consumer products rose 24 percent, generating a consumption trend largely considered excessive.

Article Views Prospects in Aerospace Industry

SK1102035490 Seoul THE KOREA HERALD
in English 11 Feb 90 p 6

[By staff reporter Sin Yong-su—first in a series on Korea's aerospace industry]

[Text] Elated by its phenomenal success in automobile and shipbuilding industries, Korea has set its sights on something far bigger and ambitious—Made-in-Korea aircraft.

Korea's fledgling aerospace industry is planning to produce an indigenous design of high-performance jetfighters for its air force in 20 years.

Production of Korean-made jetfighters will wrap up Korea's decades-old effort to attain self-sufficiency in military hardware, ending its dependence on the United States.

While still many, both at home and abroad, remain doubtful of Korea's goal of turning out "made-in-Korea" jetfighters, the Korean aerospace industry has made a big, ostentatious start by launching the Korean Fighters Program. [KFP]

The KFP is "ultimately aimed at acquiring the capability to design and manufacture supersonic jetfighters which will become the mainstay of the Korean air force in coming decades," through co-production with a leading U.S. aerospace firm, a Korean industry official said.

McDonnell Douglas, the manufacturer of the F/A 18 Hornet which is the mainstay of the U.S. navy air fleet, has been chosen as the U.S. partner of the KFP which will cost Korea \$4 billion over the next eight years.

Key participants in the program include Korean aerospace industry's "Big Three"—Samsung Aerospace Industry, Daewoo Heavy Industries and Korean Air.

Engines—heart of the aircraft—will be supplied by Samsung, the front-runner in engine assembly technology.

Samsung successfully undertook a project to assemble F-5E jetfighters for the Korean air force in the 1980s under license of the Northrop Corp.

Samsung's part in the KFP will go this time well beyond the simple assembly of U.S.-supplied kits, Samsung Aerospace officials said.

Yi Chung-u, of Samsung's aerospace defense industry section, said that his company will supply more than half of all components for manufacturing the F/A-18 engines, including many key parts whose production requires sophisticated technology.

In value terms, Yi said, Samsung's contribution may reach around 60 percent.

However, he was hesitant to give detailed figures, claiming that an agreement has yet to be concluded between the governments of Korea and the United States on division of labor.

Samsung is also to supply the forward fuselage of the jetfighters and to finally assemble the planes with Samsung-made engines and kits which will be provided by Korean Air and Daewoo Heavy Industries.

Samsung has already invested about 140 billion won and plans to spend 360 billion won (around \$530 million) over the next three years.

The additional investment includes the budget to build an integrated airplane assembly plant in Changwon, the home of Samsung's aerospace industry, Yi said.

Yi said that his company's massive investment is not just for the KFP, but to become the key supplier of jet aircraft for the Korean air force by the early 2000s.

When Samsung successfully carries out the KFP, he said, his company will upgrade its technology to the level of independently designing and producing jet aircraft for pilot-training purposes.

Yi projected that his company will be able to reach the plateau of designing and producing an improved version of the F/A-18 by the early 2000s.

Korea's plan to develop trainer jets by the late 1990s will be aided by MD under a so-called aerospace industry development program, the Samsung official said.

Under the program, engineers of the Korean Big Three will receive training at MD research centers and MD engineers will visit Korea to transfer designing technology, he said.

After the KFP is successfully completed, Yi said, Samsung will actively seek to participate in international consortium projects to develop a new generation of large-capacity passenger aircraft and jetfighters.

On U.S. concern that Korea might compete with the U.S. aerospace industry in a decade, Yi said it was just worry and nothing more than that.

"A jet aircraft is totally different from a car or a ship. In the airplane industry, reputation is as important as quality," Yi said.

"Even if Samsung makes a quality jet aircraft, how many foreigners would buy Samsung products while they are little known outside of Korea?" he wondered.

But foreigners may have good reason for such concern if Korea's automobile and shipbuilding industries are a guide.

Korea embarked on the auto and shipbuilding industries in the early 1970s from near scratch.

Now, Korean compact cars compete with Japanese cars in the U.S. market and the Korean shipbuilding industry is also battling with its Japanese counterpart for the world's No. 1 position.

The KFP may prove to be a costly project for Korea if it fails to acquire as much technology from the U.S. as it hopes.

In a sense it is a risky venture, an industry official said, noting that the cost of co-producing an F/A-18 here with MD is about 20 to 30 percent higher than the cost of purchasing a completely manufactured product from the United States.

Under the program, Korea will import 12 fully assembled F/A-18 from MD, assemble 36 under license from MD-supplied kits, with the final 72 being manufactured by Samsung.

Korean aerospace industry officials deny that Korea will become a major competitor in the world market by early in the next century. But foreigners who have witnessed Korea's rapid growth in the auto and shipbuilding industries may feel somewhat wary.

Progress in U.S.-ROK Telecommunications Talks

SK1602061290 Seoul YONHAP in English 0552 GMT 16 Feb 90

[Text] Washington, Feb. 15 (YONHAP)—South Korea and the United States made some progress in bilateral communications talks here Thursday [15 February], though complete agreement has yet to be reached, a Korean official said. The official, who participated in the fifth Korea-U.S. communications talks, which ended Thursday, said the progress would extend the negotiations between the two countries for one year.

Korea and the United States have held five rounds of talks in the last 12 months, since the United States designated Korea a priority foreign country for negotiations in the communications field in February last year. The U.S. Administration is to make a report on the progress of the negotiations to President George Bush by Feb. 16.

In the two days of talks, the U.S. side requested that Korea fully open its markets for Value Added Network (VAN) services while the Korean side proposed that VAN projects of simple data base and data processing be opened next year on a step-by-step basis.

Korean officials suggested allowing U.S. companies to operate data base and data processing businesses in Korea from July and international VAN business next year.

In the field of standardization of equipment and recognition, the two sides agreed to reciprocally recognize each other's inspection agencies on the principle of reciprocity and guarantee participation of both countries in the procedure of installing standards.

In the field of public purchase of telecommunications equipment by the Korean Government, the two sides agreed to allow foreign companies to participate in open bidding by the Korea Telecommunications Authority without any restrictions from 1993.

Minister Choe Seeks Meetings With USSR, PRC

SK1502132990 Seoul YONHAP in English 1303 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—South Korean Foreign Minister Choe Ho-chung Thursday [15 February] proposed separate official meetings with his Soviet and Chinese counterparts to discuss measures to ease tension in the Korean peninsula and normalization of Seoul's relations with Moscow and Beijing.

Choe said, in an interview with Korea Broadcasting System (KBS), "I hope to meet the Soviet and the Chinese foreign ministers as soon as possible since the purpose of our northern policy is to reduce tension in the peninsula and improve inter-Korean relations by normalizing our relations with the Soviet Union and China."

The foreign minister added, "I hope to have favorable responses both from Moscow and Beijing."

It was not immediately known whether Choe has already offered or has plans to offer such proposals officially.

Touching on South Korea's bid to join the United Nations, Choe said, "Should South and North Korea simultaneously join the world body, it will pave the way for the reconciliation and reunification in the peninsula."

He, however, stressed that South Korea will push ahead its effort to join the world body separately "if North Korea is not ready to do so."

ROK, Bulgaria Close to Full Diplomatic Ties

SK1602040190 Seoul Domestic Service in Korean 0300 GMT 16 Feb 90

[Text] Non-resident Ambassador Hong Sun-yong, who is on a visit to Bulgaria, informed the Foreign Ministry today of the fact that he has signed a provisional agreement on establishing diplomatic relations between Korea and Bulgaria in a meeting with Bulgarian Vice Foreign Minister Filip Ishpekov on 15 February in Sofia.

Following this, Foreign Minister Choe Ho-chung reportedly will visit Bulgaria and Czechoslovakia during his planned trip to East European countries in mid-March, including Yugoslavia, have talks with his counterparts in these two countries, and formally sign agreements on establishing diplomatic relations at the ambassadorial level.

According to the Foreign Ministry, in a meeting with Vice Minister Ishpekov on 15 February, non-resident Ambassador Hong agreed to establish diplomatic relations at the ambassadorial level. He is also reported to have reached a principled agreement on guaranteeing investment and on the issue of signing an agreement on economic cooperation between the two countries.

Thus, five countries in East Europe will have established diplomatic relations with our country as of mid-March. The five countries are Poland, Hungary, Yugoslavia, Bulgaria, and Czechoslovakia. Also, it seems likely that our country will establish diplomatic relations with East Germany and Romania before the end of this year.

North's Boycott of Talks Regarded as Coverup

SK1602031690 Seoul YONHAP in English 0241 GMT
16 Feb 90

[Text] Seoul, Feb. 16 (YONHAP)—North Korea has reiterated its call for a meeting of inter-Korean authorities and political party leaders to discuss pending issues in letters sent to South Korean leaders on Thursday.

In the letters, delivered to the truce village of Panmunjom, Pyongyang urged Seoul "to open an epoch-making stage toward reunification by holding the conference," a proposal that North Korean leader Kim Il-song made in his New Year speech.

North Korea said, however, that South Korea should express its willingness to tear down a "concrete wall" to allow free travel and total openness between the two Koreas and stop the "Team Spirit" South Korean-U.S. annual military drill now under way as two "imminent steps to prepare for the meeting."

The letters, which the North says were adopted in a joint meeting of the government and political parties, were addressed to President No Tae-u, Prime Minister Kang Yong-hun and opposition leader Kim Tae-chung.

North Korean Premier Yon Hyong-muk, in a telephone message to the South on Wednesday, said he would send two liaison officials to Panmunjom Thursday and asked the South to send officials to receive the letters.

Elaborating on the proposed conference, Pyongyang said separate bilateral talks at the highest level could be held within the frame of the meeting of authorities and political party leaders, who could meet individually or collectively as necessary for a successful conference.

Pyongyang also said it would open the conference doors to any party to be created in the future. It is not certain

if it meant the newly-created Democratic Liberal Party, the giant government party formed in the merger of the ruling and two opposition parties, or new opposition groups shaping up among centrists and dissidents.

The North said, "we cannot help being surprised that South Korean authorities are denying the existence of the concrete wall they erected." The North charges that free travel between the two Koreas is being blocked by the wall.

Seoul flatly denies existence of a concrete wall and says the North may have meant the anti-tank barriers sprinkled sparsely across North Korea's invasion route in the Korean war.

In the letters, the North also expressed its reluctance to accept the South's call for signing an accord on free travel, communications and trade between South and North Korea on the ground that such a proposal aims at partial exchanges rather than full reunification.

"Since the tearing down of the concrete wall in the South to realize free travel and total opening is an important political issue linked to the whole nation's urgent interest, it is natural for a conference to be held to solve the issue reasonably," the North claimed.

The letters said the South's insistence on holding a summit meeting was against the principle of democracy.

President No, during a news conference in January, reiterated his call for a prompt summit between him and North Korean leader Kim to discuss all pending issues on the Korean peninsula.

The South Korean Government is expected to send a reply to the North shortly.

A government official here said Friday, "there is nothing new in the letters from the North and we are likely to reject the proposal as we have in the past."

Last Friday, the North declared it would boycott talks with the South because of the Team Spirit exercise, which is due to end in mid-April.

South and North Korea, which are technically at war, were divided into the capitalist South and communist North at the end of World War II, when the cold war system was shaping up.

The two Koreas have engaged in various contacts, including a meeting to arrange for a parliamentary conference, Red Cross talks, preparatory contacts for a prime ministers' conference and sports talks on fielding a single team in the Beijing Asian Games in September.

Seoul regards Pyongyang's boycott of inter-Korean talks and a new offensive against the South as a cover for difficulties caused by the great changes and reforms in its socialist allies.

Speculation on Pyongyang Travel Restrictions

SK1602040490 Seoul THE KOREA TIMES in English
16 Feb 90 p 2

[Text] Tokyo (Special)—The North Korean authorities have increased control of people coming into and leaving the city of Pyongyang.

According to an article in the SANKEI SHIMBUN here, the control has leads to a speculation that there might have been a sort of demonstration demanding democratization.

The daily suspected in the article the control may be associated with a plan of the North Korean authorities to stem the possible spread of the effect of the sweeping democratic reforms in Eastern Europe.

Quoting sources well versed in North Korean affairs, the daily said the increased control of the movement of the people began around Jan. 15.

Since then, armed soldiers have made rounds of the Pyongyang railroad station and checked the ID cards of all the incoming train passengers, the article said.

These days, according to the article, North Korean authorities are delaying the issuance of invitations to foreigners whom they had promised to invite.

Though not confirmed, the article said this indicates that a demonstration broke out in Pyongyang in January.

Differing Views on Kim Chong-il's Succession

SK1602024090 Seoul THE KOREA HERALD
in English 16 Feb 90 pp 2, 5

[Text] Seoul (AFP)—The North Korean propaganda machine is revving up for the birthday Friday of the country's heir apparent, Kim Chong-il, but Pyongyang watchers here say his rise to power may be checked by a lack of legitimacy.

The North Korean media, which refer to Kim Chong-il as "the dear leader," launched a campaign Feb. 1 which has gone beyond the praise usually lavished on him for his birthday, according to officials with access to information from the closed country.

The occasion is one of North Korea's "four great holidays."

Kim Chong-il, who will be 48, is firmly placed to take the reins from his aging father, President Kim Il-song, the officials said, though many believed the armed forces would overthrow him soon afterward.

"Within this decade South Korea will probably be dealing directly with the North Korean military," a U.S. official said. "The son is an eccentric, and the military would be greatly concerned with him in power."

The official added that the armed forces would be the only institution "strong enough to survive" the death of Kim Il-song, now 78 years old.

Other North Korea watchers here agreed that the military lacked respect for the younger Kim, but they noted that the old guard had been purged from the top brass and officers close to him installed.

"It's possible that he might be toppled after the death of his father because he has a legitimacy problem," said Yun Mi-yang, a South Korean expert. "However, as a result of the innumerable purges, there remains little force opposed to Kim Chong-il in the military."

She said Kim did not have the stature of his father, who is considered a demigod in North Korea and commands the military's respect because of his role in fighting Japanese imperialism.

Kim Il-song is said by North Korean literature to have led the resistance against Japan's 1910-1945 colonial rule of Korea.

He has ruled Communist North Korea since shortly after the end of World War II, when the peninsula was split.

The homage paid to his son this year includes two special radio programs: "The wise leader with knowledge, virtue and bravery" and "a refined leader leading the modern youth movement."

The first tells of how much South Koreans admire Kim Chong-il and the second is filled with accolades from foreign dignitaries, especially those in African countries, an official here said.

Pyongyang radio stations and newspapers have given prominent play to what they describe as a campaign to discover congratulatory messages left by Kim Il-song's guerrilla troops at the time of his son's birth.

More than 200 such messages, inscribed on trees and slips of paper, were reported to have been found around a "secret camp" on Mt. Paektu, which is one the border with China and is highly symbolic for Koreans.

The camp has been turned into a sacred revolutionary cradle, and Pyongyang Radio has reported that 1 million trees and flowers have been planted around it.

Analysts said the recent surge in praise for the younger Kim was part of the North Korean leadership's effort to cement his status before Kim Il-song's health deteriorates.

"Kim Il-song is regarded as a living god so much that even North Koreans who defect to the South hesitate to speak ill of him," Yun said. "If the succession issue is concluded while Kim Il-song is in good health, there will be less of a backlash."

Hyundai Applies To Send Cars, Tractor to North*SK1502071890 Seoul YONHAP in English 0704 GMT 15 Feb 90*

[Text] Seoul, Feb. 15 (YONHAP)—Hyundai, South Korea's second largest conglomerate, is likely to win government approval for a bold offer to present tractors, bulldozers and cars to North Korea, a government source said Thursday.

Hyundai confirmed that it has filed an application with the Trade and Industry Ministry to send two cars and a tractor and a bulldozer to the communist North.

The source said the government is about to give Hyundai the go-ahead, but that it is questionable whether North Korea will accept the gift.

Hyundai founder Chong Chu-yong promised to send some cars and tractors to the North as samples to demonstrate the potential for joint ventures between the South and North during a tour of North Korea from Jan. 26-Feb. 1 last year.

The government will decide in a way favorable to Seoul-Pyongyang relations if Chong applies to visit North Korea again, said the source.

Vatican Threatens Excommunication of ROK Priest*SK1502072490 Seoul YONHAP in English 0656 GMT 15 Feb 90*

[Text] Seoul, Feb. 15 (YONHAP)—The Vatican is reportedly threatening to excommunicate a South Korean priest for publicly criticizing its ambassador to Korea.

The Rev. Ham Se-ung, in an article in the January issue of a church monthly, accused Monsignor Ivan Dias, the nuncio to Korea, of making "politically oriented" remarks concerning illegal visits to North Korea by a radical student and a Catholic clergyman last year.

Ham, a professor at Catholic University in Seoul, wrote that Dias had made politically oriented comments that had something in common with the sophistry of the government and the ruling party.

"Nuncio Dias's remark that the South Korean people are not mature enough to accomplish democracy made us sad," Ham wrote in the magazine SAMOK, which is published by the Catholic Conference of Korea.

In an interview with a Seoul daily last September, Dias had said that a Catholic priest should not do anything without the consent of his bishop and that the Rev. Mun Kyu-hyon had broken this rule by visiting North Korea without church approval.

He also said priests should not be involved in political activities and that Mun's trip to North Korea went against Vatican guidelines.

Dias, an accomplished linguist, suggested that democracy in Korea seemed to have become "democracy."

The interview followed the return of the Rev. Mun and Yim Su-kyong, a Catholic, via the truce village of Panmunjom on Aug. 15. The two were arrested, tried, found guilty and sentenced to prison for violating the National Security Law, with Yim drawing 10 years and Mun eight.

Yim went to Pyongyang to attend an international youth festival and Mun to escort her home.

The priest's trip raised the issue of the role of the church in politics.

Ham, who was active in human rights drives in the 1970s and much of the 1980s during authoritarian regimes, said in his article that priestly involvement in politics is an act of rejection but pondered whether it is a political act to criticize an unjust government on behalf of innocent people.

The Dias interview drew harsh criticism from 53 Catholic professors, who in a statement in October charged that the remarks by the papal nuncio approached interference in Korean politics and humiliated the Korean people.

They also demanded that Dias make an open apology.

The Vatican reportedly regards Ham's article as a serious challenge to the basic order of the church and is considering harsh countersteps, including excommunicating Ham.

The reaction to Ham's charges among the clergy and young lay people is one of support while the bishops are embarrassed by the article, which they think went too far.

Hong Kong-Based Correspondents May Visit North*SK1402123390 Seoul YONHAP in English 1215 GMT 14 Feb 90*

[Text] Seoul, Feb. 14 (OANA-YONHAP)—The South Korean Government has permitted Hong Kong-based correspondents of domestic mass media organizations to visit North Korea late this month, if they are given entry visas by the North, it was learned Wednesday. [14 Feb]

All of the 11 Hong Kong-based South Korean correspondents are expected to make a four-day visit to Pyongyang from Feb. 24 to 27, if the North Korea issue visas to them. [sentence as received]

The journalists have contacted the North through a North Korean travel agency based in Hong Kong, and a positive response for their visit has reportedly been obtained from Pyongyang.

If the visit is realized, they will be the first South Korean reporters ever to visit the North Korea for general news coverage.

Since the end of the three-year Korean war in 1953, there have been a few exchanges of visits by reporters for covering family reunions promoted by the Red Cross societies and South-North Coordinating Committee's activities in the other side of the divided halves.

DLP, Government To Place Priority on Technology

*SK1602034890 Seoul THE KOREA HERALD
in English 16 Feb 90 p 2*

[News Analysis by Chong Pyong-uk—"DLP Gives Top Priority to Hi-Tech Growth for Business Upturn"]

[Text] The ruling Democratic Liberal Party and the government will apparently place top priority on intensive technology development, in an effort to restore the strength of the Korean economy.

A policy guideline of the new ruling party, a merger of the Democratic Justice Party and two opposition parties, calls for intensive development of hi-tech industries which was also stressed by President No Tae-u in his new year message delivered Jan. 10.

The DLP platform said the party will promote technology development, encourage business investment and activate exports to triple the per capital GNP to \$15,000 by the turn of the century.

Policymakers in both the DLP and the administration seem to share the view that there is no option but technology development to fuel the Korean economy for a "second leap."

The cheap but educated laborers served as an engine for the Korean economy in the 1960s and 1970s, and the lower prices of raw materials, including petroleum, the strong Japanese yen and the low international interest rates helped the Korean economy achieve price stability and increase overseas merchandise shipments in the mid-1980s.

However, the situation facing the Korean economy turned unfavorable in the late 1980s when a rapid appreciation of the Korean won under tougher U.S. pressure and soaring local wages as asked by the strong, radical trade unions weakened the international competitiveness of Korean industries.

Korea's exports in January this year decreased 10.2 percent from the same month last year, after a 1.8 percent setback last December. The government projected the jobless rate this year at 3.5 percent, compared with 2.6 percent last year.

The signals of an economic crisis were among the reasons for the merger of the ruling party and two opposition parties.

The success of the new ruling party will require successful policies designed to tackle and prevent rampant crime and ease public complaints about unfair distribution of wealth.

Meanwhile, according to a government projection, the share of hi-tech industries in the manufacturing sector will rise from 8.3 percent in 1987 to 15.4 percent in 1993 and further to 20 percent in 2000.

The Government plans to increase Korea's R&D investments from \$3.6 billion in 1988 to \$39.8 billion in 2001. R&D spending as a share of the GNP is projected to rise from 2.1 percent in 1988 to 5 percent in 2001.

If the projections are accurate, Korea will place seventh on the list of technologically advanced countries, according to the government plan.

The ambitious goal set by the ruling party and the government, however, is not easy to attain. For instance, the projections call for increasing R&D manpower to 150,000 people by 2001 from 56,500 in 1988. Ten percent of the 150,000 researchers are projected to be Ph.D. holders. There is no government investment program for that plan, however.

The party's and government's determination to make Korea an advanced country is so firm that they will submit a bill to that effect to the National Assembly during an extra session starting Monday for enactment, Rep. Yi Sung-yun, leader of the DLP's six-man economic task force, said.

A forum to review implementation of programs for technology development will be held regularly with the participation of the President.

DLP Registers With Central Election Committee

*SK1602041090 Seoul THE KOREA TIMES
in English 16 Feb 90 p 2*

[Text] The new ruling Democratic Liberal Party [DLP] yesterday registered its inauguration with the Central Election Management Committee, finishing all legal procedures for the merger of the Democratic Justice Party, the Reunification Democratic Party and the new Democratic Republican Party.

Afterwards, a ceremony to hang the signboard of the DLP was held at the temporary party headquarters, the Taewon building in Yoido, with DLP leaders Kim Yong-sam, Kim Chong-pil and Pak Tae-chun as well as its lawmakers attending.

The DLP will convene a party caucus, the first one since its foundation, for the approval of the appointment of Rep. Kim Tong-yong as DLP floor leader today. The party will also register with the National Assembly Secretariat the organization of a "floor negotiating group" in the name of the DLP.

The governing party's low-echelon officers will be named on Feb. 19.

Meanwhile, DLP whip Kim Tong-yong will hold talks with his counterparty from the opposition Party for Peace and Democracy [PPD], Rep. Kim Yong-pae,

today to discuss ways of operating the upcoming extra session of the National Assembly.

Their meeting will be the first since the political realignment.

Rough sailing in their talks is expected as the PPD is demanding that the special house sitting run 30 days, 10 days longer than the agreed-upon period, but the DLP opposes the protraction of the extra House session.

Rep. Kim Tong-yong said, "It is difficult to prolong the session of the extra National Assembly in view of the timetable for the founding of local chapters of the DLP."

He added that if pending issues are not all settled during the forthcoming House session, another extra House sitting can be convened in May.

DLP To Expel Members Under Indictment

SK1502075290 Seoul YONHAP in English 0632 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—The ruling Democratic Liberal Party (DLP) is considering excluding from its ranks lawmakers who are indicted or accused of a variety of irregularities, a party source said Thursday.

The new party's co-leaders have decided to bar lawmakers under indictment from DLP membership until the charges are cleared, the source said.

Eight lawmakers stand to be directly affected by the decision.

Commenting on the recent arrest of DLP Rep. Pak Chae-kyu, the source said bold reforms to give life to the party's inaugural spirit are needed even if it means a reduction in the number of DLP assemblymen.

Pak was arrested Tuesday and charged with accepting bribes from a business association in 1988, when he was a member of the now-disbanded opposition reunification democratic party.

In addition, Reps. Kim Tong-chu, Ho Chae-hong, Suk Chun-kyu, Hwang Nak-chu, all from the Reunification Democratic Party, are also facing legal action on various charges.

From the former ruling Democratic Justice Party, Rep. Yi Hak-pong is on a probation for abuse of power while in office, Rep. Yi Won-cho is charged with wrongdoings in the Fifth Republic and Rep. Hong Hui-pyo faces prison on charges of illegal election campaigning stemming from his by-election last year.

DLP Wants To Establish 'Developmental Relations'

SK1602075390 Seoul YONHAP in English 0736 GMT 16 Feb 90

[Text] Seoul, Feb. 16 (YONHAP)—The new ruling party's floor leader said Friday [16 February] the Democratic Liberal Party (DLP) would initiate a new political order by establishing "developmental relations" with the opposition, but his counterpart in the Party for Peace and Democracy (PPD) warned that politics may collapse if the majority party ignores democratic principles.

"I feel a very heavy responsibility as floor leader of a huge ruling party with more than 200 National Assembly seats, but I would like to say that I am determined to create a new political order at our initiative," Kim Tong-yong said.

"I want to make it clear that the DLP should seek an equal relationship between the ruling party and the opposition party if it really wants to conduct the politics of dialogue," said Kim Yong-pae, floor leader of Kim Tae-chung's party, which was left alone in the opposition by the merger of the old ruling and two opposition parties into the DLP.

Kim Tong-yong, a highly trusted aide to former opposition leader Kim Yong-sam (who joined President No Tae-u and Kim Chong-pil in the unprecedented conservative alliance), also said the DLP would actively push forward with democratic reforms in a bid to eliminate the negative image among Koreans of all ruling parties.

Urgent tasks the DLP must tackle in the upcoming special assembly session are revision of undemocratic laws, industrial peace, inflation and real estate speculation, he said.

"We think the principle of compromise between the ruling party and the opposition party should be realized and they should renounce their old habit of politics based on physical force," the PPD official said in a separate interview.

He also warned that the PPD will launch a strong struggle in parliament if the DLP neglects to revise undemocratic laws in defiance of its pledge or seeks a change to the parliamentary cabinet system, which the PPD has rejected.

The two parties are to meet for the first time on the floor of the assembly in a session beginning Monday for a 20-day run. The DLP was formally created last week and completed the legal procedures to become a party on Thursday.

The DLP's creation restructured Korean politicals into a two-party setup, with the government party holding a comfortable 216-seat majority in the 299-seat unicameral assembly.

Ministry Apologizes to Teachers for DLP Campaign

SK1602025690 Seoul THE KOREA HERALD
in English 16 Feb 90 p 3

[Text] Minister of Education Chong Won-sik apologized to the public yesterday for the troubles caused by the on-campus publicity campaign for the new ruling Democratic Liberal Party.

The government guideline for the education programs was intended for government employees and public officials, Chong said.

But it is "very regrettable" that the Education Ministry included education officials in the publicity campaign for the ruling party, the minister said.

Chong's apology came two days after the Education Ministry, faced with strong protest from teachers, withdrew its order to hold promotion meetings for the DLP [Democratic Liberal Party] among schoolteachers.

The ministry, at the request of the Ministry of Government Administration, sent out orders last week to education officials across the country to educate teachers on the necessity of the political realignment and the subsequent establishment of the DLP.

The ministry move drew heavy criticism from the opposition as well as some teachers.

The opposition Party for Peace and Democracy has called for resignations of all cabinet members, holding themselves responsible for the controversy.

Students Firebomb Kim Chong-pil's Headquarters

SK1502033690 Seoul THE KOREA HERALD in English
15 Feb 90 p 3

[Text] Puyo, Chungchongnam-to—Six students attacked the office of Kim Chong-pil, one of the three co-leaders of the new Democratic Liberal Party [DLP], with firebombs, breaking some windows and furniture, police said.

However, no injuries were reported in the attack which occurred at 7:15 a.m. yesterday.

The protesters, armed with iron pipes and firebombs, smashed several windowpanes and burned some furniture including sofas. Police estimated property damage at about 900,000 won (about \$1,285).

The attackers ran from the scene immediately after throwing six Molotov cocktails at the office in Kua-ri, Puyo-up. Two of them, enrolled at Chungnam National University, were caught by police later.

Two riot policemen were on guard at the entrance of the office at the time.

Police presume the attack might have been committed by radical students opposing the merger of the ruling and

two opposition parties. Kim led the minor opposition New Democratic Republican Party.

Puyo is the hometown of Kim. Most of his old party's lawmakers were elected from districts in Chungchong provinces.

Dissidents and militant students have denounced the merger as a "serious threat" to democracy in the country.

PPD Opposes Hike in Share of U.S. Troop Costs

SK1502080490 Seoul YONHAP in English 0745 GMT
15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—South Korea's sole opposition party raised its objection Wednesday to increasing South Korea's share of the cost of maintaining U.S. troops here and to paying for the relocation of an American base to an area outside Seoul. The Party for Peace and Democracy (PPD), adopting the stand in an expanded office-holders meeting, said that additional burden sharing was inappropriate because Korea's current per capita defense expenditure exceeds levels in Europe and Japan, which both have a better economic situation.

The meeting was convened a day after U.S. Secretary of Defense Richard Cheney arrived here to discuss issues related to the U.S. Forces stationed in South Korea. The party said Korea should refuse to pay to relocate the U.S. base in Yongsan, Seoul, because the U.S. military presence in Korea is closely related to America's national interests.

Cheney is expected to demand in his meeting with Defense Minister Yi Sang-hun that Korea double its direct contribution to the cost of stationing U.S. troops here, CHOSUN ILBO, a leading vernacular daily, said Thursday, quoting a U.S. official who is accompanying the U.S. defense secretary. Seoul pays Washington nearly 300 million dollars annually in defense costs.

Workers Dissatisfied With FKTU Labor Group

SK1602033090 Seoul THE KOREA HERALD
in English 16 Feb 90 p 3

[Text] Pusan—A great majority of workers in this port city and Yangsan and Kimhae in Kyongsangnam-to, are dissatisfied with activities of the Federation of Korean Trade Unions (FKTU), according to a study.

A survey of 941 workers from 34 workplaces in the three cities showed that 24.3 percent of the respondents replied the FKTU never acted to boost their rights and welfare and 56.1 percent said it did a little.

Cho Ui-su, an instructor at the Pusan University sociology department, and Chong Kwang-min, chief of the Institute of Pusan Social Studies, conducted the survey in connection with the birth of "Chonnohyop," a radical labor organization, and its activities.

They said 81.3 percent of the pollees said there is a need for establishing a nationwide labor organization other than the FKTU and that they could consider joining Chonnohyop or a more radical labor organization set up by labor activists.

According to the survey, 57 percent oppose joining Chonnohyop.

Thirty-two percent asked reforms in functions of the FKTU while 8.2 percent said Chonnohyop is an organization composed of "subversive" elements.

But 43.1 percent said they see it as a group of "democratic" unions aimed at strengthening workers' solidarity and political activities and 37.2 percent answered that it works for improving their working conditions and raising wages.

Police Launch Probe of Underground Leftists

SK1502041490 Seoul THE KOREA TIMES in English 15 Feb 90 p 3

[Text] Police launched an investigation yesterday to uncover the identity of persons behind an underground organization called "Sanomaeng" or the Socialist Workers' League, whose leaflets have been increasingly found on university campuses and subway stations.

Seven persons including Choe In-kyu, a Chinese literature junior of Sungkyunkwan University, were arrested for distributing or carrying the illegal leaflets, police said. They were charged with violating the stiff national security law.

Police said they discovered a total of 1,082 leaflets from Nov. 12 to Feb. 8 at 14 places across the nation.

Sanomaeng's New Year messages were designed to instigate "a revolution through violence" to overthrow the bourgeois system and to build a socialist country, the national police headquarters said.

The secret organization forecast in leaflets that the newly-formed Democratic Liberal Party [DLP] would face grass-root resistance and the opposition Party for Peace and Democracy [PPD] would seek a merger with bourgeois forces to win political hegemony, it added.

The leaflet also said that the working class should be turned into a political force by participating in elections of heads of regional autonomous bodies in alliance with a preparatory committee seeking to inaugurate a progressive political party.

The clandestine body called for a grand grass-root alliance by excluding Kim Tae-chung's PPD while demanding the political retirement of Kim Yong-sam, DLP co-representative, and Kim Tae-chung.

Police are investigating the organization, presuming that it might be masterminded by a radical student body called the Constituent Assembly (CA) Faction.

Activist Leaders of Marxist Group Arrested

SK1602040290 Seoul THE KOREA TIMES in English 16 Feb 90 p 3

[Text] Twelve left-leaning activists, all leading members of the Association of Christian Culture and Labor Movement, were held for allegedly forming an underground ring, a National Police Headquarters spokesman said yesterday.

They were taken into custody on charges of violating the National Security Law which bans the formation of a Communist or pro-Pyongyang organization. Police said they were involved in underground activities for the proletariat revolution to build a socialist country.

Yi Song-chae, 24, a graduate of Korea University, and 11 others are suspected of engaging in pro-Pyongyang activities by sympathizing with and praising the North-Korean Communist system.

Pak Mun-chae, 31, a law school graduate of Seoul National University, and 16 others have been put on a wanted list for forming an organization benefitting North Korea.

According to the police investigation, the underground ring, inaugurated last summer, now has about 70 activists, armed with Marx-Leninist ideology.

"They are 'soldiers' for the proletariat revolution," investigators said.

The arrested were die-hard unionists at factories in the Kuro industrial district, southern Seoul, and on college campuses.

Dissident Sentenced for Selling Secrets

SK1502034090 Seoul THE KOREA HERALD in English 15 Feb 90 p 3

[Text] A Seoul court sentenced female political activist Kim Yong-ae to seven years in jail for illegally contacting members of an antistate organization in Europe and handing over "national secrets" to them.

Senior Judge Hong Sok-che at the Seoul District Criminal Court said that Kim met with Song Nak-yong and O Su-kap, alleged members of the pro-Pyongyang organization named "Council of Korean People in Europe" in West Germany. They were found to have been engaged in anti-Seoul activities in several other cases, even though the accused insisted on innocence, the judge stated.

The judge said the defendant had violated the tough National Security Law when she delivered several south Korean periodicals and newspapers to them. Those materials were classified as national secrets in previous rulings, Hong said.

Kim was arrested last August for meeting Song, O and other alleged pro-Pyongyang elements in Europe and

giving newspapers and such publications as "Mal" (Words) and "Society and Ideology."

Kim Hyon-chang, 40, Kim's husband and key official of the main dissident group Chonminnyon, was also being tried for attempting to establish an antistate organization named "Korea-U.S. Research Institute" and contacting anti-Seoul organization members in West Germany by facsimile.

The prosecution demanded a 10-year prison term for Kim Hyon-chang. Sentencing is set next Tuesday.

Article Evaluates No's Image as 'Ordinary Man'

SK1102024290 Seoul THE KOREA TIMES in English
11 Feb 90 p 2

[From the "News in Review" column by political editor Chong Un-pung]

[Text] Suddenly, the image of President No Tae-u has changed. He is different now and is being given a new appraisal by the people.

In the past, he was frequently criticized for being indecisive. His image was nothing but weak. He was often the target of newspaper cartoonists for his alleged wavering and the like.

But after a series of events in less than two months, No has been successful in forging a new image like Bush with his audacious military action in Panama.

Good or bad, No succeeded in stitching together three parties into a grand ruling party towering over the Party for Peace and Democracy [PPD], which became the sole opposition party as a result of the lightning party merger carefully engineered and carried out by No.

No one had even suspected it. Even clever PPD leader Kim Tae-chung admitted that he was totally in the dark. He was quoted as having said that at no time in his political life had he been so completely outdone by others.

The merger of the three parties to form a big ruling party provides a good clue to measure the capacity of No. The job, in hindsight, was executed with mechanical precision without allowing others even to get a hunch of it in the long process.

Besides this, No eloquently demonstrated his cold political hand in ending the issue of the eradication of the so-called Fifth Regime led by his colleague Chon Tu-hwan.

In December last year, No struck an agreement with the three Kims—Kim Tae-chung, Kim Yong-sam, and Kim Chong-pil—on ending the controversy over the issue of eradication of the ills of the past regime by having Chon testify before the House. The issue had troubled No since his inauguration.

With the agreement, Chon could not run away from the parliamentary hearing. At the same time, three Kims could not bring out the old bone again, thus burying the issue in the history books.

As the three parties have melted into one, even the slightest chance of reigniting the issue of the past regime has been completely shattered.

President No's bold and carefully-calculated action does not end there. Just last week, President boldly came out against Japan.

He made no secret of his intention to postpone his scheduled visit to Japan unless Japan takes positive action on the improvement of the legal status of third generation Koreans living in Japan. His visit was tentatively scheduled for sometime in the first half of this year.

Japanese Ambassador Shinichi Yanai was called to the Foreign Ministry and was told.

Such diplomatic issues can be handled in secrecy, which is the way the government has done things in the past, particularly in sensitive issues involving foreign nations.

But, it was different this time. No is bold as if he is trying to sow his real clout not only in domestic politics but in foreign relations.

Those who have long complained of the government attitude of seemingly groveling at Japan's feet may send it an enthusiastic support.

Recently, there was a bombshell incident. Army Chief of Staff Gen. Yi Chong-ku fired off letters to all rank and file officers across the nation asking them for self-renovation in step with the call of the new era.

In the letter, the nation's top Army commander said the brass should reflect on its past wrongs in allusion to the May 16 coup and Dec. 12 incident.

The Army, Yi said, should be faithful to its genuine duty so that it will no longer be passed over as a force subservient to the ruling political force.

All of this shocking content could not be thought of in the past. But, there are few who would think that Yi's letter had not been cleared by No.

With only three years remaining in office, No is trying to work in earnest as head of state. He is no ordinary man as he claims to be. In his inaugural address, he said, "I will not lord it over the people nor be pushed around."

Burma**Commission Postpones Elections in Shan Townships**

BK1602144890 Rangoon Domestic Service in Burmese 1330 GMT 16 Feb 90

[Text] The Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar [Burma] has issued Announcement No. 384 on 16 February 1990—the seventh day of the waning moon of Tabodwe, Myanmar Era 1351. The full text of the announcement is as follows:

Subject: Temporary postponement of People's Assembly elections in constituencies of Konkyan, Narphan, Pangwaing, Pangyang, Mongmao, and Manphant Townships in the Shan State.

1. In accordance with Announcement No. 352 of the commission, dated 22 December 1989, subcommissions concerned have been carrying out work related to holding elections, such as formation of ward and village election subcommissions and preparation of candidature lists, in order to hold the elections on 27 May 1990 as scheduled in Konkyan, Narphan, Pangwaing, Pangyang, Mongmao, and Manphant Townships.

2. However, it has been learned that the subcommissions are facing difficulties in carrying out their election work as scheduled under the People's Assembly Elections Law and the Elections Rules due to difficulties in transport and communications.

3. Therefore, the commission exercising the rights under Section B of Article 42 of the People's Assembly Elections Law, temporarily postpones the holding of multiparty democratic general elections in these townships.

By the authority vested in me
Signed: Aye Maung, secretary

Military Spokesman Denies Arrests of Candidates

BK1602130490 Hong Kong AFP in English 1258 GMT 16 Feb 90

[Text] Rangoon, Feb 16 (AFP)—Burma's military spokesman Friday [16 February] said authorities had interrogated several leading opposition figures over the past week but denied any arrests. Deputy military intelligence chief Colonel Than Tun refuted reports that some 40 members of political parties including candidates taking part in elections set for May were being arrested.

"To your question of arrests I would have to say that there are no arrests taking place but only questioning and interrogation of some persons," Col. Than Tun told a regular Defense Ministry press briefing.

Col. Than Tun, also a member of the Information Committee of the ruling State Law and Order Restoration Council (SLORC), listed a total of nine persons who had been taken in for questioning within the past week.

These included Htwe Myint, deputy chairman of the Democracy Party, chairman of the Burma United Democratic Party, Zaw Pe Win, and the patron of the National Republican Federation. Also under interrogation were two central executive committee members of the National League for Democracy, Col. Than Tun said.

Since taking power in September 1988 following nationwide pro-democracy demonstrations, military authorities here have taken in for questioning an unspecified number of persons. Some of them have been released while others found guilty of "breaking the law" have been tried by military tribunals and sentenced. Col. Than Tun said authorities had not taken action against any person for their political convictions. "Persons arrested are only those who have broken existing laws," he said.

Of the four self-imposed tasks of the SLORC, the first is the restoration of law and order which it has emphasized is a prerequisite for the holding of free and fair elections. More than 2,000 candidates, including members of registered parties as well as independents, are scheduled to take part in multi-party general elections slated for May 27.

Lao Trade Minister Continues Official Visit**Calls on Army Commander**

BK1602080190 Rangoon Domestic Service in Burmese 1330 GMT 15 Feb 90

[Text] Lieutenant General Than Shwe, member of the State Law and Order Restoration Committee (SLORC) and Army commander in chief, received Mr Phao Bounnaphon, minister of trade and foreign economic relations of the Lao People's Democratic Republic, at 0830 today at the Ministry of Defense's Dagon Mansion.

Present at the meeting with Lt. Gen. Than Shwe were Brigadier General Khin Nyunt, SLORC secretary-1; Brigadier General Tin U, SLORC secretary-2; Colonel Abel, minister for trade and for planning and finance; and U Pe Thein Tin, director of the Ministry of Foreign Affairs Protocol Department.

Meets at Industry Ministry

BK1602085190 Rangoon Domestic Service in Burmese 1330 GMT 15 Feb 90

[Text] A trade delegation from the Lao People's Democratic Republic headed by Mr Phao Bounnaphon, minister of trade and foreign economic relations, accompanied by Mr (Vinsei Sana), charge d'affaires ad interim of the Laotian Embassy, held talks with U Aung Koe, director general of industrial planning of the Ministry of Industry-1 and Colonel Than Shwe, managing director of Myanmar Heavy Industries Enterprise of the Ministry of Industry-2 in the Office of the Minister for Industry-1 at 1400 today.

The Laotian delegation also held talks on bilateral economic matters with officials from the Department of Industrial Planning and Myanmar Jute Industry Enterprise under the Ministry of Industry-1.

In the afternoon, the Laotian delegation visited Okkyin Jute Factory of Myanmar Jute Industry Enterprise under the Ministry of Industry-1 and Myanmar-Singapore International Limited on Pansodan Road.

Calls on Trade Minister

*BK1602085590 Rangoon Domestic Service in Burmese
1330 GMT 15 Feb 90*

[Text] A delegation from the Lao People's Democratic Republic headed by Mr Phao Bounnaphon, minister of trade and foreign economic relations, accompanied by Mr (Vinsei Sana), charge d'affaires ad interim of the Laotian Embassy, called on Colonel Abel, minister for trade and for finance and planning at 0900 this morning at the Ministry of Trade and held cordial and frank talks on bilateral economic and trade matters.

Present at the meeting were U Maung Maung Kyaw, director general of the Directorate of Trade; U Ba Thein, director general of the Department of International Organizations and Economics; Daw Khaing Khaing, director general of the Department of Planning; and responsible officials.

Next, the Burmese delegation led by Minister Colonel Abel and composed of directors general, managing directors, and responsible officials from the departments under the Ministry of Trade and the Ministry of Finance and Planning held talks on bilateral economic and trade matters, including bilateral border trade, with the Laotian delegation led by Mr Phao Bounnaphon, minister of trade and foreign economic relations.

At noon, the director general of the Directorate of Trade hosted a luncheon for the Laotian delegation at Kandawgyi Hotel.

Burmese Delegation Leaves for Narcotics Meeting

*BK1602083190 Rangoon Domestic Service in Burmese
1330 GMT 15 Feb 90*

[Text] A Myanmar [Burmese] delegation led by U Ohn Gyaw, director general of the Political Department of the Ministry of Foreign Affairs, left Yangon [Rangoon] this morning to attend the 17th special session on Narcotics at the United Nations General Assembly in New York from 20 to 23 February 1990.

U Ohn Gyaw, the leader of the Myanmar delegation, is accompanied by Colonel Tin Hla from the Ministry of Defense; U San Thein, deputy director of the People's Police Force; Lieutenant Ye Htut and Major Kyaw Thein from the Ministry of Defense; U Kyaw Thu, deputy director of the Ministry of Foreign Affairs; and U Thet Bo, assistant director of the Ministry of Foreign Affairs.

U Kyaw Min, permanent representative of the Myanmar Mission at the UN in New York; U Win Mra, deputy permanent representative; and U Thaug Tun, first secretary will also join the Myanmar delegation.

The Myanmar delegation was seen off at the airport by Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC]; Brigadier General Tin U, SLORC secretary-2; director generals from the Office of the SLORC, the Office of the Cabinet, and the Office of the People's Assembly; and responsible officials from the Ministry of Foreign Affairs, the Ministry of Defense, and the People's Police Force.

Authorities Publicly Destroy Heroin, Other Drugs

*BK1302142490 Hong Kong AFP in English 1404 GMT
13 Feb 90*

[Excerpt] Rangoon, Feb 13 (AFP)—Burmese authorities Tuesday [13 February] destroyed more than 200 kilograms of heroin worth in excess of four million dollars as part of their efforts to eradicate narcotic drugs.

The first-ever public destruction of heroin, along with 14 kilos of opium resin and 54 kilos of Pensedyl [as received], was witnessed by resident military attaches, diplomats and journalists. A United States Drug Enforcement Agency official attached to the U.S. Embassy here personally put the torch to the heroin, prepared for destruction on the premises of the National Intelligence Bureau (NIB) narcotic squad, 13 kilometres north of Rangoon. The ceremony was also attended by the first secretary of the State Law and Order Restoration Council (SLORC), Brigadier General Khin Nyunt, and the home minister, Major General Phone Myint.

The destruction of heroin by Burmese authorities came on the eve of a United Nations conference on illicit drugs to be held in New York later this week. A Burmese delegation to the conference is slated to leave for New York on February 15, informed sources said.

The police narcotics section director, Colonel Ngwe Soe Tun, said in a speech that the main objective of the destruction ceremony was to counter negative reports in the foreign media casting doubts on Burma's "sincere efforts to eradicate opium." Burma, fully aware of the menace of narcotic drugs, has been carrying out measures to control abuse of drugs and illicit trafficking "as a national concern," Col. Ngwe Soe Tun said. He said that Burma, which enacted a law on dangerous drugs and narcotics in 1974, not only banned cultivation, production and trafficking of illicit drugs, but has adopted stringent penalties, including death, for violators. "Every year, achievements in all aspects have been gained," he said.

According to Col. Ngwe Soe Tun, more than 50,000 kilos of opium, 1,000 kilos of morphine, 3,000 kilos of heroin and 150,000 kilos of marijuana, valued in total at 220 million dollars, have been seized by the authorities since 1974. [passage omitted]

Radio Describes Ceremony

*BK1402102590 Rangoon Domestic Service in Burmese
1330 GMT 13 Feb 90*

[Excerpts] A ceremony to show the destruction of narcotic drugs seized in the country was held at Aung Thabyay Police Hall on Kyaikkwaing Pagoda Road in Mayangon Township at 0800 today. It was attended by Brigadier General Phone Myint, chairman of the Drug Abuse Control Central Committee and minister for home and religious affairs and for information and culture; Brig. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC]; Brig. Gen. Myo Nyunt, commander of the Yangon [Rangoon] Command; Colonel Thein Win, chief of staff of the Air Force; Col. Tin Hla, commander of the 22d Light Infantry Division; Col. Myint Lwin, provost marshal; Col. Thura Pe Aung, secretary of the Drug Abuse Control Central Committee and director general of the People's Force; foreign ambassadors, military attaches, and counselors in Yangon; representatives of the United Nations Development Program, the FAO [UN Food and Agriculture Organization], the WHO, the United Nations Fund for Drug Abuse Control, and the U.S. Drug Enforcement Agency [DEA]; directors general from the Ministry of Foreign Affairs; members of the SLORC information committee; local and foreign journalists led by U Soe Nyunt, managing director of the News and Periodicals Department; and responsible officials from the People's Police Force. [passage omitted]

Speaking at the ceremony, Police Director Ngwe Soe Tun, joint secretary of the Narcotic Drug Abuse Control Central Committee and director of the Narcotics Section of the People's Police Force, explained Myanmar's [Burma's] efforts concerning narcotic drug abuse and destruction of seized narcotic drugs. [passage omitted]

Continuing, Ngwe Soe Tun said that to make the control measures more effective since the promulgation of the 1974 Anti-Narcotic Drugs Law, special narcotic squads were formed during 1985 in Yangon, Mandalay, Taunggyi, Keng Tung, and Lashio. Under the direct supervision of the Narcotic Drug Abuse Control Central Committee, effective action was taken against internal trafficking, distribution, and sale.

Between 1974 and 1989, action was taken in 27,042 cases involving 50,141 kg of opium; 53 cases involving 1,091 kg of morphine; 12,861 cases involving 3,033 kg of heroin; and 6,847 cases involving 151,734 kg of marijuana. The value of these narcotic drugs is estimated at 1.45 billion kyat or U.S.\$220 million.

Other than the People's Police Force, the Defense Services is also engaged in anti-narcotic work by launching military operations against the insurgents engaged in narcotic smuggling and production since 1975. The major operation is the Operation Mohein, which reached its 12th phase in 1988. Under the Operation Mohein, 15 opium refineries were destroyed. Also 5,454 kg of opium, 345 kg of morphine, 160 kg of heroin, 2,033

gallons of liquid opium, and chemicals and equipment used for refining opium were confiscated. [passage omitted] During the Operation Mohein, 109 of our soldiers lost their lives, while 572 were wounded, and 205 enemy soldiers were killed and 18 captured. [passage omitted]

As a result of the Operation Mohein and other military operations conducted by the Defense Services, 7,216 kg of opium, 538 kg of morphine, 224 kg of heroin, and 257 gallons of acetic anhydride have been seized. Ngwe Soe Tun also disclosed that 27,681 acres of opium were destroyed by cutting and aerial spraying, thus preventing production of 923 tons of opium. The Defense Services also destroyed a total of 10,272 tons of marijuana plants. [passage omitted]

Police Director Ngwe Soe Tun said that narcotic drug control has continued under the SLORC since it assumed responsibility following the 1988 events. Three special narcotic squads were formed in Monywa, Katha, and Kale during 1988; four special narcotic squads were formed in Myitkyina, Mingaladon Airport, Sittwe, and Mergui during 1989; and courses are being conducted in order to form two narcotic squads in Patheingyi and Mawlamyine.

Explaining the narcotic situation in two years under the SLORC, Ngwe Soe Tun disclosed that 699 kg of opium, five kg of morphine, 179 kg of heroin, 616 kg of marijuana, 3,863 liters of phensedyl [cough syrup], 4,424 tablets of methaqualone, 207,536 cough tablets, 1,813 vials of morphine, 197 gallons of acetic anhydride, 7,600 codeine sulfate tablets, 602 (glycodine) tablets, 2,895 PWC tablets, 22 (diacypin) tablets, and 3,068 (mizar) tablets were confiscated.

Ngwe Soe Tun added that under Operation Mya Sein against marijuana plantations in Bago Division during 1989, 61 tons of marijuana were destroyed.

He said these facts show that Myanmar is continuously carrying out narcotic drug abuse control work. [passage omitted]

After the diplomats and guests viewed the narcotic drugs on display, 209,066 kg of heroin with the street value in New York of U.S.\$418 million, 14,832 kg of opium resin worth U.S.\$12,727, 2,391 kg of liquid opium worth U.S.\$1,818, and 54.4 kg of phensedyl worth U.S.\$5,600 were burned by Mr (Angelo Marcedino), representative of the U.S. DEA in Myanmar, in the presence of Minister Brig. Gen. Phone Myint, SLORC Secretary-1 Brig. Gen. Khin Nyunt, foreign diplomats, and local and foreign journalists. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Singapore Air Force Use of Island Viewed

BK1502135590 Kuala Lumpur Domestic Service
in English 1330 GMT 15 Feb 89

[Text] Malaysia does not regard Indonesia's decision to allow an island in Riau to be used by the Singapore Air Force for training exercises as a threat to the country.

Deputy Prime Minister Ghafar Baba says Malaysia does not object to the move because it is a matter between the two countries. The matter does not jeopardize Malaysia's security. He said this at a news conference in Kuala Lumpur after announcing the (?quantum) of increase in civil service's allowances for government employees. He does not know of groups in Malaysia expressing objection over the arrangement.

The Indonesian ambassador to Malaysia, Mr Sunarso Jayusman, recently alleged that Malaysia was skeptical of Indonesia's willingness to allow Singapore to use the island for air-bombing exercises.

Encik [Mr.] Ghafar stressed that Malaysia's relations with the two countries are good. If there were problems, they could be resolved through discussions in the spirit of ASEAN.

Culture Minister Calls Lee Kuan Yew Insincere

BK1302100790 Kuala Lumpur NEW STRAITS TIMES
in English 9 Feb 90 p 1

[Text] Kuala Lumpur, Thursday [8 February]—The Singapore prime minister's recent call for Singaporeans to visit Malaysia in line with Visit Malaysia Year 1990 is insincere, Culture and Tourism Minister Datuk Sabbaruddin Chik said today.

"It is meaningless for the republic to encourage its people to visit Malaysia while at the same time imposing rigid regulations," he said.

As an example, the minister cited the half-tank petrol ruling under the controversial Customs Act 1989.

It is an offence for Singaporean-registered vehicles to leave the republic without at least half a tank of oil.

He said the Singapore Government was trying to save Singapore \$2 million (2.8 million ringgit) which Singapore motorists should spend to fill up their petrol tanks in Malaysia because it was cheaper here.

Datuk Sabbaruddin made the unsolicited comment when speaking to reporters after launching the World Council of Young Men's Organisations seventh convention for the Asia-Pacific region here.

Datuk Sabbaruddin said the ruling made Singaporeans feel rather "uneasy" because they were forced to undergo strict checks before entering Malaysia.

Last week, Singapore Prime Minister Lee Kuan Yew called on Singaporeans to visit Malaysia. His remarks were prompted by newspaper reports that a neighbouring country was sabotaging the Visit Malaysia Year campaign.

Singapore

Ryzhkov Arrives 16 Feb on Official Visit

BK1602122190 Singapore Domestic Service in English
1100 GMT 16 Feb 90

[Text] The Soviet prime minister, Mr. Nikolay Ryzhkov, is in Singapore for a two-day official visit. His visit (?here) is at the invitation of Mr. Lee Kuan Yew. It is the first by a Soviet prime minister. The 50-year-old Soviet leader is accompanied by his wife and senior officials.

Mr. Ryzhkov was given a ceremonial welcome at the Istana [Palace]. He was welcomed on arrival by the prime minister.

Later the Soviet leader paid a courtesy call on President Wee Kim Wee. Mr. Ryzhkov then held talks with the prime minister. This was followed by a delegation meeting which included the second deputy prime minister, Mr. Ong Teng Cheong; the communications and information minister, Dr. Yeo Ning Hong; and the trade and industry minister, Brigadier-General Lee Hsien Loong.

Among the Soviet delegates are the deputy chairman of the council of USSR ministers, Mr. Ivan Stepanovich Silayev, and Deputy Minister of Foreign Affairs Mr. Igor Rogachev.

The first deputy prime minister, Mr. Goh Chok Tong, who called on the Soviet prime minister [words indistinct].

Mr. Ryzhkov visited the Sung dynasty exhibition at Empress Place. This evening the prime minister and Mrs. Lee will host a dinner for Mr. and Mrs. Ryzhkov at the Istana.

Joint Helicopter Project With PRC, France

BK1502025490 Hong Kong AFP in English 2053 GMT
14 Feb 90

[Text] Singapore, Feb 14 (AFP)—Aerospatiale of France, China National Aero-Technology Import and Export Corp. (Catic) and Singapore Aerospace Manufacturing Pte Ltd said here Wednesday they would jointly build a new light helicopter. The two-ton, four-passenger model, to be known as the P1201, would cost less than 600,000 dollars each, according to the director of Aerospatiale's helicopter division, Jean-Francois Bigay.

The French firm would take a 54 per cent stake in the venture, Catic 30 per cent and Singapore Aerospace 16 per cent, Mr. Bigay said during the Asian Aerospace 90 show. Aerospatiale officials said the P1201 would make its maiden flight in 1993 and enter service in 1995 or 1996.

The venture would seek to capture 50 per cent of the market for helicopters of its type, estimated to total 4,000 units. Aerospatiale will contribute the helicopter's engine and transmission, while Catic will make the main fuselage and Singapore Aerospace other parts.

The helicopter will be assembled in France after Catic withdrew a demand for a second assembly line in China, the Aerospatiale officials said. They added that the Singaporean and Chinese partners were more interested in gaining technology through the venture than becoming subcontractors or licensees.

Cambodia

Further Reportage on Visit of Soviet Delegation

Mat Ly Receives Delegation

*BK1602063190 Phnom Penh Domestic Service
in Cambodian 1300 GMT 15 Feb 90*

[Text] On the afternoon of 13 February at Chamka Mon State Palace, Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions, met and had cordial talks with a USSR Supreme Soviet delegation led by Comrade Gumer Ismagilovich Usmanov, member of the CPSU Central Committee Secretariat and of the USSR Supreme Soviet.

On this occasion, Comrade Mat Ly voiced support for the Soviet Union's policy of perestroika. He briefed the delegation on the latest situation in the State of Cambodia, which is upholding the banners of independence, peace, and national reconciliation.

Comrade Mat Ly also stressed the State of Cambodia's socioeconomic reforms, in which some socioeconomic and political principles and measures have been revised and improved to suit the country's actual situation and the current trend in the world. Comrade Mat Ly said that we have implemented democratization in the party as well as in the state and National Assembly, and the practice of always speaking truly and frankly is also being constantly enhanced.

Comrade Gumer Ismagilovich Usmanov expressed elation with the warm reception accorded him by the Cambodian party and state. He highly valued the relations and cooperation between the two countries' national assemblies, which are being constantly strengthened and expanded. The comrade said that this was the first visit by a Supreme Soviet delegation since Soviet society began implementing political reform, and added

that this visit would contribute to deepening, strengthening, and expanding relations and cooperation between the two countries.

Comrade Usmanov said that the Supreme Soviet supported the Cambodian National Assembly's policy on the search for a political solution in Cambodia, the declaration on the State of Cambodia's permanent neutrality, and the process of democratization in the Cambodian National Assembly.

Comrade Usmanov thanked the Cambodian National Assembly for supporting the Soviet Union's policy of perestroika and its initiatives and foreign policies, particularly on the Asia-Pacific region and Southeast Asia.

Comrade Usmanov also briefed Comrade Mat Ly on the Supreme Soviet's approval of 43 draft bills and on the significance of the CPSU Central Committee session that called on the people to promote the process of democratization within the party and the national assembly.

Delegation Concludes Visit

*BK1602063790 Phnom Penh Domestic Service
in Cambodian 2300 GMT 15 Feb 90*

[Text] On the afternoon of 14 February, the Supreme Soviet delegation led by Comrade Gumer Ismagilovich Usmanov, member of the CPSU Central Committee Secretariat and of the USSR Supreme Soviet, left for home after successfully concluding a two-day official friendship visit to the State of Cambodia.

Seeing the delegation off at the airport were Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Nu Beng, vice chairman of the National Assembly; and other comrade members of the National Assembly and cadres attached to the National Assembly's office.

Comrade Rashit Khamidulin, USSR ambassador extraordinary and plenipotentiary to the State of Cambodia, was also on hand to see the delegation off.

CSSR Envoy Makes Farewell Visit to Hun Sen

*BK1002120090 Phnom Penh SPK in English
1056 GMT 10 Feb 90*

[Text] Phnom Penh SPK February 10—On the termination of his mission to Cambodia, Petr Janacek, extraordinary and plenipotentiary ambassador of Czechoslovakia to Cambodia, paid a farewell visit here yesterday to Hun Sen, chairman of the Council of Ministers and minister for Foreign Affairs of the State of Cambodia.

Speaking to his guest, Chairman Hun Sen highly appreciated the Czechoslovak diplomat's active contributions to the promotion of the solidarity, friendship and multiform cooperation between the two countries. He

briefed his guest of the all-sided achievements recorded by the Cambodian people over the past years in national construction and defence including the process of revival since liberation.

Chairman Hun Sen said that the Cambodian Government endorsed the Australian proposal and accepted a UN Role in the settlement of the Cambodian issue, provided this body must respect Cambodia's sovereignty and guarantee the non-return of the genocidal Pol Pot regime to power in Cambodia.

For his part, the out-going ambassador thanked the Cambodian party and government for rendering favourable conditions for him to successfully complete his mission. He said he would do his utmost to further consolidate and develop the ties of solidarity and friendship between the two countries.

Chea Sim Receives Outgoing CSSR Ambassador

*BK1602084790 Phnom Penh Domestic Service
in Cambodian 0430 GMT 16 Feb 90*

[Text] On the morning of 15 February at the office of the National Assembly, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the front National Council, granted an audience to Comrade Petr Janecek, CSSR ambassador extraordinary and plenipotentiary to Cambodia, who came to bid farewell after completing his diplomatic mission in Cambodia.

On that occasion, Comrade Chea Sim hailed the ambassador's mission in Cambodia which has contributed to strengthening the bond of friendship and cooperation between the two countries. The comrade stressed that we would strive to strengthen and develop the fraternal relations between Cambodia and Czechoslovakia even more firmly and fruitfully.

Comrade Chea Sim expressed profound thanks to the Czechoslovak party, government, and people for their support and sympathy for the Cambodian people's correct struggle for independence and freedom.

In his reply, the comrade ambassador expressed satisfaction over the success of his mission in Cambodia which is helping to develop the long-standing cultural and economic relations between our two countries. He also spoke on restructuring issues in Czechoslovakia, such as the economic reforms and the free elections to be held in June.

GDR Presents Gift to Red Cross Counterpart

*BK0802073790 Phnom Penh Domestic Service
in Cambodian 2300 GMT 7 Feb 90*

[Text] On 2 February at the office of the Cambodian Red Cross, Comrade Rolf Dach, GDR ambassador to the State of Cambodia, presented a gift from the East German Red Cross to the Cambodian counterpart. The gift consists of 30 bundles of blankets, five cases of

clothing, and seven cases of medicine weighing 2.2 tonnes. This is the sixth gift from the East German Red Cross to its Cambodian counterpart. The Cambodian Red Cross has in the past received from its East German counterpart medical equipment, medicine, material, blankets, and clothing weighing over seven tonnes.

On this occasion Comrade Rolf Dach pointed out that in accordance with the cooperation agreement between the two countries and for the common benefit, the GDR has helped provide annual humanitarian assistance to the Cambodian people, particularly those who face various difficulties and dangers while helping to bring the cooperation to fruition.

Establishment of Commercial Bank Discussed

*BK1202043390 Bangkok BANGKOK POST in English
12 Feb 90 pp 17, 30*

[Text] The Cambodian Government plans to ask foreign investors, particularly Thais, to jointly invest in the establishment of a commercial bank to help stimulate foreign investment in the country.

Last November the Cambodian central bank governor, Cha Rieng Siri Wong, accompanied senior Bangkok Bank officials in a meeting with Bank of Thailand Governor Kamchon Sathirakun to discuss Thailand's banking supervision and foreign exchange control laws.

Cambodia wants to improve its financial system so it can expand its external trade and investment.

The Cambodian central bank has decided to change the country's foreign exchange system by pegging the Cambodian riel to the baht instead of the US dollar. It will also use the baht for its official reserves.

The baht has become an accepted currency in Indochinese states and Burma through the growth of illicit trade along the Thai border with Burma, Laos and Cambodia.

One senior Thai banking industry source said at the weekend that Mr Cha Rieng had told him during a meeting in Phnom Penh two months ago that the Cambodian central bank wanted to establish a commercial bank to support government efforts to reform the national economy and open it up to foreign investors.

The source said Mr Cha Rieng had told him the Cambodian government wanted to invite foreign investors to jointly invest in the establishment of the country's first commercial bank.

The Cambodia banking system is controlled by the government and there has not been the full banking services to support internal trade.

Other sources close to Khunying [honorary title] Suwanni Phuaphairot, who is a major shareholder in Laos's one commercial bank, the Joint Development Bank, a joint investment between Thai investors and the

Laotian government, said Phnom Penh officials had contacted her group to discuss investment in its first commercial bank.

The sources said Khunying Suwanni was reportedly interested in the offer, but had yet to make a final decision as she felt there was still a lot of political uncertainty in Cambodia.

One Thai banking source said he had been told by a Laotian central bank official that the Cambodian central bank had indicated it wanted to learn about the formation of Laos's Joint Development Bank.

Another source said the Joint Development Bank in Vientiane had proven successful based on its performance since opening in October last year.

The bank had deposits of about 1,000 million kip and outstanding credit of 500 million kip to the end of last month.

The Joint Development Bank pays 20 percent on deposits of three months, 24 percent of six months and 26 percent for one year. Its lending rates vary between 28 percent and 30 percent per annum.

The source said the bank planned to open its first branch in Savannakhet at the end of this year based on this area's strong potential. The area has many coffee plantations and a strong textile industry.

Several Thai investors have invested in textile factories and the logging business in Savannakhet.

The Laotian government is constructing a highway linking Savannakhet and Danang in Vietnam, and this further strengthens the potential for a branch in the province.

Satellite Stations Proposed for Phnom Penh

BK0502121590 *Phnom Penh SPK in English*
1057 GMT 5 Feb 90

[Text] Phnom Penh SPK February 5—The OTC [Overseas Telecommunications Commission] Company of Australia has recently discussed with Cambodia Ministry of Posts, Transport and Communications the possibility for the construction of two ground-satellite stations in Phnom Penh.

At the discussion, the OTC Company proposed to invest several million U.S. dollars in the projects which are expected to proceed in two stages. The first stage includes the installation of the "Vista" station with an OTC fund of some 2.69 million U.S. dollars. The second stage covers the construction of the "Intersat standard's" in which 60 percent of the total sum of 6.45 million U.S. dollars will be paid by the OTC.

When completed the OTC Company will receive 49 percent of the profit, and the rest will belong to the Cambodian side.

French Airline Plans Flight to Phnom Penh

BK0502034990 *Bangkok THE NATION in English*
5 Feb 90 p 9

[Article by Kawi Chongkitthawon under the rubric "Think Khmer" and headlined "Flying to Phnom Penh"]

[Text] Phnom Penh—A French airline, UTA (Union Trans Airway), is planning to fly from Singapore to Phnom Penh at the end of March. The airline's delegations have visited Phnom Penh twice to work out details of the UTA Flights and ground facilities. The French airline has agreed to train Cambodian officials and improve Phnom Penh's Pochentong airport's facilities.

The Thai International, meanwhile, has not made little progress [as published] on its plan to operate regular flights from Bangkok to Phnom Penh with a stopover in Siem Riep to let off tourists wishing to visit the Angkor Wat. The inaugural flight was first scheduled to take place on Sept 19 of last year when Premier Hun Sen was about to return to Phnom Penh after his third visit to Bangkok. But the plan was abruptly cancelled without any explanation.

The Thai airline already trained some Cambodian officials last year to prepare for the Bangkok-Phnom Penh flight.

Another airline from Hong Kong, Dragon Air, has also expressed its interest in flying to Phnom Penh, but no final decision has been made. A Singaporean tycoon has a plan to operate regular flights of his Regent Airline for both cargo and passengers between Singapore and Phnom Penh.

France To Open Cultural Center in Phnom Penh

BK1202022990 *Bangkok THE NATION in English*
12 Feb 90 p 4

[By Kawi Chongkitthawon in Phnom Penh]

[Text] France will reopen a cultural and education centre here in September after more than a decade of official absence, a senior Cambodian official said.

"France's interest marks the return of Western Europe to Cambodia," said Him Smoeuk, director of the government's American and West European Department.

The director said France has already agreed to a location proposed by Cambodian authorities—the former college of cinematography.

A six-month renovation project will begin in March.

Due to historical links with Cambodia, France has been on the forefront and very generous in giving economic and technical assistance to the war-torn country, Him said.

However, French assistance over the past ten years has usually been channelled through aid agencies.

Him said the European nation had "one way or another" sent aid to Cambodia since 1979, even at times when it was politically impossible to reveal.

The director added that many French journalists, delegates and intellectuals are currently in Cambodia to study the situation following reports that the Khmer Rouge has attacked and captured key cities such as Battambang and Sisophon.

"They want to find out the truth. They know the (Khmer Rouge) claims were not true," he said.

One of the French delegates here last week was Donnard Herve, a special adviser to President Francois Mitterrand. Herve was making a one-week tour to gauge the political situation within Cambodia.

Herve visited Battambang, which the Khmer Rouge has claimed to be under their control.

Him said France's support of the Phnom Penh government was a good indication of what he described as Europe's sentiment against the resistance coalition.

The European Community recently issued a statement saying that a return to power by the Khmer Rouge must be prevented at all costs.

"Last year, we hosted over 30 delegations from Western Europe, all of which expressed their intention of helping Cambodia," Him said.

A number of French aid organizations such as Medecins du Monde and Enfants de Cambodge already maintain offices in Phnom Penh.

A French airline, Union Travel Airway (UTA), will also make its first flight from Paris to Phnom Penh by this July, Him added.

Chea Sim Attends Closing of Women's Meeting

*BK0502070590 Phnom Penh Domestic Service
in Cambodian 0430 GMT 5 Feb 90*

[Excerpt] On the afternoon of 3 February, at the school for training female cadres, a ceremony was solemnly held to conclude the 1989 conference to review the results of the women's emulation movement nationwide under the chairmanship of Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the National Council of the Kampuchean United Front for National Construction and Defense.

For two days, the meeting listened to reports summing up the great achievements our women made in 1989 and was unanimous on the goals for women's activities to be implemented in 1990. [passage omitted]

KPRP Congratulates ANC on Mandela's Release

*BK1602122790 Phnom Penh SPK in English
1054 GMT 16 Feb 90*

[Text] Phnom Penh SPK February 16—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea [KPRP] Central Committee and president of the Cambodian State Council, has extended warmest congratulations to president of the African National Congress (ANC) on Pretoria's release of Leader Nelson Mandela. In his congratulatory message, Heng Samrin says: "The Central Committee of the People's Revolutionary Party of Kampuchea, the government and the people of Cambodia enthusiastically and movedly welcomed the news on the release of Nelson Mandela. This event of important significance in the history of South African people and of all oppressed African people as well marks the starting point of the definitive victory of their long and exacting struggle to crush the yoke of apartheid for peace, freedom, justice, human dignity and democracy.

"The Cambodian people, now in their struggle to prevent the resurgence of the genocidal Pol Pot regime, are in close solidarity with the just struggle of South African people under the leadership of the ANC and hope to express their firm support to the ANC.

Men Sam-an Addresses Meeting in Kompong Chhnang

*BK1602094590 Phnom Penh Domestic Service
in Cambodian 0430 GMT 16 Feb 90*

[Summary] Kompong Chhnang Province held a meeting on 13 February to spread the resolutions of the 10th plenum of the fifth party Central Committee among 72 principal cadres of provincial, provincial capital, and district levels; office heads and deputy heads; and teachers in the province in the presence of Mrs. Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Committee's Organization Commission.

The meeting participants closely studied the resolutions issued by the fifth Central Committee's 10th plenum, including the report summing up comprehensive achievements in calendar year 1989, especially since the complete withdrawal of the Vietnamese volunteer troops; fiscal year 1989; and targets to be implemented in 1990 as well as the 1990 objectives of the diplomatic struggle.

In her address to the meeting, Mrs. Men Sam-an said: [Begin recording] "The discussion has clearly shown the views, the experiences, as well as the main measures aimed at bringing high efficiency to the implementation of the 1990 common tasks. All of you have firmly grasped the significance of the two common duties and the slogans of activities, regarding them as the compass to be understood by all levels and sectors and to be used as a basis from which to advance toward realizing the strategic determination to carry out major political tasks

of the entire party, people, and Armed Forces in 1990, especially toward bringing real efficiency to the top-level combined campaign in this dry season according to the 127th decision of the party Central Committee Political Bureau.

"Starting from the discussion on the upcoming principal undertakings, I would like to remind you first of all of the military-security work. Do not forget to pay close attention to the building of the Armed Forces. This endeavor should be focused mainly on quality. It is true that we should meet the targets set for the size of the Armed Forces, but we should focus on their quality, too."

Pay attention to (1) the human and material strength, (2) the political and ideological grasp, and (3) good leadership, organization, and command. These three key factors should be met if we are to build good Armed Forces.

"At the same time, it is imperative to build a powerful mobile regular force to be deployed rapidly and in time against the bulk of the enemy forces and to provide support for regional forces, armed police forces, militia forces, and the people in the attacks against the enemy.

"All levels, sectors, and institutions have the duty to contribute to building the Armed Forces so that these forces are well refurbished to successfully carry out their tasks. It is also imperative to implement well the policy toward front-line combatants as well as toward their families in the rear."

Maintain good relations between the Armed Forces and the local authorities. Firmly grasp the view that the rearguard is the factor for victory of the front line.

"It is imperative to further implement the 127th decision and to strengthen the political and ideological grasp in the inner circles, which is the main objective in enhancing the people's faith in the new regime. The ideological grasp in the new situation is becoming a problem. Therefore, to fulfill this undertaking, we must clearly grasp the strategy of the party, that is, all its principles, lines, and political contents and, on the basis of these principles, create a lively plan and image for each sector so that the masses of people can understand and learn it easily.

"It is required that production and handicrafts should be vigorously conducted. In fact, prepare for the upcoming monsoon rice production. Make every effort to conduct and contribute to promoting the food-purchasing campaign so that it can be fulfilled according to the state plan. Heighten the spirit of defending and harvesting rice crops, protect them from enemy sabotage attempts, transport and store them well, and promote the sale of goods directly to the people so that the people can be happy and enthusiastic in selling paddy to the state and in actively participating in national defense and reconstruction."

Work to make the people correctly grasp the changes in the situation and understand our diplomatic struggle at the new stage.

"Regarding the diplomatic struggle of the party and state, we agree with the proposal for the conditional use of the role of the United Nations. Our main objective is to avoid as much as possible the enemy's demand for the creation of a quadripartite or bilateral government, which would constitute a de facto recognition for the legitimate role of the Pol Potists and would eliminate our revolutionary gains. Therefore, along with such a campaign toward becoming soft and flexible, all our activities at all levels and sectors, especially on the battlefield, should be more resolute and vigorous than ever." [end recording]

The ceremony wound up in a cordial climate of solidarity after Kompong Chhnang Province Party Committee Secretary Daok Narin made a speech pledging to efficiently fulfill Mrs Men Sam-an's recommendations in order to prevent the Pol Potists from returning to power.

Party Describes Armed Forces Building Task

BK0902132390 Phnom Penh Domestic Service in Cambodian 2300 GMT 8 Feb 90

[PRACHEACHON editorial: "Promote the Emulation Movement in Resolving To Attack the Enemy and Vigorously Building Armed Forces Units"; date not given]

[Text] Under the current circumstances in which the enemy is adventurously attempting to use force and arms to attack our national society, following the complete withdrawal of the Vietnamese volunteer troops, the entire party, Armed Forces, and people have increasingly sharpened their determination to counterattack without delay, in order to preserve the military and security situation and to maintain stability in their lives.

The movement to use combined forces, combined means, and combined measures has become a most lively campaign for our Armed Forces and people in every locality throughout the country. The work of attacking the enemy on all fronts has thus become an active and enthusiastic emulation movement. Every locality and unit has successfully implemented the people's war policy, enabling the three revolutionary movements at the grass-roots level to develop and surge ahead with a great vigor.

It is after drawing lessons from this experience that all of us must continue to make greater efforts to firmly defend national independence and the gains of the national society. We can clearly see that the genocidal Pol Pot-Sihanouk-Son San clique has not given up its strategic design to overthrow our new regime. The enemy's ambitions have remained unchanged. The genocidal criminals are conducting feverish efforts through military, political, and diplomatic activities. It is to be noted that they are wickedly trying to carry on the war and wreaking

destruction against the people. We cultivate deep hatred for them and pledge to overcome all negative phenomena, especially the phenomena in which one hates the enemy but is afraid to attack him, in which one wants to defeat the enemy but fails to build and strengthen one's unit.

Cadres and party members at all levels and in all sectors must set examples in all fields. Good ideological work should be linked to the building of strong armed forces both numerically and qualitatively. All levels and sectors should pay close attention to this matter and should overcome the drawback of a unit being numerically qualified but lacking quality.

We pledge to build the Armed Forces with the regular forces as the core so that they can fight the enemy successfully. Party committees at all levels and in all sectors must play an important role in leading the Armed Forces. This should be done by knowing and finding all kinds of methods enabling combat duty as well as the building and strengthening of units to be carried out simultaneously.

Armed Forces units must pay greater attention to the work of controlling and preserving the number of troops. They must build strong and sturdy shelters and combat trenches of all types in and around their positions, ones that would not collapse easily during combat.

Another important requirement is that they must know how to take care of their weaponry, equipment, and uniforms, constantly keeping them functional and in good condition.

The significant emulation movement launched during this campaign of combined efforts must also include the drive to build real forces and improve the living conditions of the soldiers. The building of real forces is of great importance as it allows us to have manpower who can work under all circumstances.

The building of party committees, core groups, and youth unions must emphasize strengthening and improving leadership quality within the Armed Forces. Moreover, it is imperative to enhance the determination of the commanding cadres at battalion and regimental levels, and to sharpen their resolve to upgrade their leadership capabilities, working quickly and intelligently both in attacks against the enemy, in the building of units, and in knowing how to promptly deal with emergencies.

In order to instill more power into our Armed Forces, the party and administrative committees at all levels must vigorously support the front by successfully implementing the rearguard policy. Ministries and institutions concerned must have specific plans to bring food supplies, materiel, and weapons directly and quickly to the cadres and combatants. Each unit, for its part, must organize cadres and combatants to undertake emulation work between units and between individuals according to the slogan: Holding a gun against the enemy with one

hand while using the other hand to engage in production for the improvement of living conditions.

The campaign of combined efforts constitutes the most powerful force originating from the party's emulation movement. The entire Armed Forces and people pledge to attack and defeat the enemy and to build local units so that they remain intact and are able to advance unstopped.

From January to June 1990, cadres at all levels and in all sectors must constantly remind their men of these facts, so that the emulation movement of the units in each locality can be conducted actively and enthusiastically from the beginning to the end. The most important thing is that we must sum up results of the work, draw lessons, and award praises and rewards in a timely manner.

Sihanouk Insists on Inclusion of Khmer Rouge

*BK1602024190 Bangkok BANGKOK POST in English
16 Feb 90 p 10*

[By Anurat Maniphan in Phatthaya]

[Text] Cambodian leader Prince Norodom Sihanouk yesterday said he would insist on a quadripartite administrative body incorporating the Khmer Rouge as part of an "honourable compromise" with Phnom Penh Prime Minister Hun Sen.

He said the quadripartite body could be called a Supreme National Council, as has been suggested by Mr Hun Sen, but "it must be like a government," with the powers of the Phnom Penh administration transferred to it "at all levels".

The prince maintained that there was a "vital necessity for all Cambodians to accept the Khmer Rouge" as part of the Cambodian community and an interim governing authority "in order to prevent the Khmer Rouge from threatening peace and stability in Cambodia".

The Prince made the remarks to reporters after hosting lunch for dozens of his supporters from "liberated" parts of four provinces in Cambodia.

Mr Hun Sen has categorically held out against Khmer Rouge participation in an interim government, citing their "genocidal" past when in power from 1975-79.

In a counter-proposal put forward early last year, he suggested their participation in a supreme council of national leaders, which then was presented as primarily an authority for organising general elections.

Prince Sihanouk yesterday reaffirmed his willingness to hold bilateral talks with Mr Hun Sen in Bangkok or Paris, adding "I think Bangkok is the best venue for the talks."

He also said he would be open to talks between all four factions but indicated that he was less optimistic about

the outcome of this format, noting divisions and "contradictions" between Mr Hun Sen and the resistance groups.

Prince Sihanouk confirmed that he sought an "honourable compromise" which he said would include, besides a quadripartite government-like body:

- "Serious verification" of the Vietnamese withdrawal from Cambodia by an International Control Mechanism of the United Nations;
- Respect for the neutrality and territorial integrity of Cambodia, notably land and sea boundaries internationally recognised before the March 1970 Lon Nol coup;
- A United Nations peacekeeping presence which, instead of being a separate force, could be incorporated into an enlarged International Control Mechanism.

Phnom Penh has so far rejected the stationing in Cambodia of a United Nations peacekeeping force which, as discussed so far, would be armed.

The Prince said he expected some reaction in the next few days from Phnom Penh on his offer to resume talks.

The Prince and Mr Hun Sen have had a number of bilateral talks since late 1987.

The Prince's resignation from resistance positions while maintaining the title of president of Cambodia would give him more room to manoeuvre in the new round.

He cited Western criticism of his association with the Khmer Rouge as the reason for his stepping down from leadership of the resistance in January.

In a statement circulated to the Press yesterday, the Prince categorically denied suggestions in a published report from Washington that he was sending money or Western-supplied arms to the Khmer Rouge.

"I have no personal fortune and can hardly meet all the expenses caused by my efforts to regain freedom and national independence for Cambodia and my unfortunate people.

"How could I, thus, send money to the Khmer Rouge who receive an extremely important annual financial assistance from the People's Republic of China?" he said.

"My National Sihanoukian Army (ANS) does not receive any lethal aid from the United States or the Western world. The ANS possesses a lot less arms and ammunition than the Khmer People's National Liberation Front and the Khmer Rouge. Under those circumstances, how could the ANS give 'Western arms' to the Khmer Rouge?" he added.

The Prince's statement was in response to remarks by Jeremy Stone, president of the Federation of American Scientists, as carried by a Western news agency.

In verbal remarks to Thai reporters, he added "I am not a petrol king... not a maharajah" to fortify his argument for not giving financial help to the Khmer Rouge.

The Prince noted that he had not seen Pol Pot, one of the most widely condemned Khmer Rouge leaders, since January 6, 1979, the day he left Phnom Penh for Beijing.

The Khmer Rouge were ousted from power one day later by a Vietnamese-led offensive which began in December 1978.

The Prince affirmed that China was the main source of aid to the ANS, providing \$300,000 each year, plus uniforms, training and medicine.

But he again pointed out that China gives more to the Khmer Rouge, "one hundred times more", he said.

The noncommunist resistance groups—the Sihanoukists and the KPNLF [Khmer People's National Liberation Front]—also receive non-lethal aid from the US and assistance from Singapore.

Prince Sihanouk is expected to head for a "liberated zone" in Cambodia towards the end of this month.

He confirmed that his decision to set up residence there was to quash criticism that he was a Cambodian leader "in exile".

He has spent a great deal of time in China and North Korea since he was ousted from power in 1970.

The Prince on Wednesday [14 February] said his new home would be located 10-15 kilometres east of the Thai border, off Surin Province.

His son Prince Norodom Ranariddh said the ANS had 106,000 civilians under its control in liberated parts of Oddar Meanchey, Siem Reap and Kompong Thom provinces, plus another 53,000 in Thmar Puok District, in Banteay Meanchey.

Prince Ranariddh also put the strength of the ANS at 25,000 armed men, of whom he said 19,000 were operating inside Cambodia.

Western estimates of the ANS strength is much lower.

Sihanouk Denies Close Ties With Khmer Rouge

*BK1602020790 Bangkok BANGKOK POST in English
16 Feb 90 p 10*

[Text] Cambodian resistance leader Prince Norodom Sihanouk says his troops often fight side-by-side with Khmer Rouge, but denies there is any real cooperation with the group blamed for the deaths of more than 1 million people.

Sihanouk also rejected Soviet proposals to halt the supply of arms to all sides in Cambodia because it would be impossible to stop secret arms shipments from Vietnam that would destabilise the resistance.

"On the field of battle in Cambodia there is no real cooperation between the ANS (National Sihanoukist Army) and the Khmer Rouge," the former monarch said in written replies to questions posed by UNITED PRESS INTERNATIONAL.

"In certain places at certain times, it happens that ANS units and Khmer Rouge units fight side by side against the common enemy," he said. "But it is simply a result of being in the same geographical neighbourhood."

Sihanouk denied reports by Thai military sources and Western diplomats that his forces have received ammunition from the Khmer Rouge. The two groups used to clash occasionally, but field commanders appear to have worked out local level arrangements that have reduced friction, the sources have said.

The United States has warned both the ANS and the other noncommunist resistance group, the Khmer People's National Liberation Front, to distance themselves from the Khmer Rouge or risk losing the non-lethal aid Washington currently provides, they said.

Sihanouk, in a long list of factors that have contributed to recent victories by his forces, did not mention US aid.

Instead, he noted that the four-month-old offensive which has seized a number of towns and villages in the northwest was made possible by aid secretly given by government troops and by an increase in arms, ammunition and military equipment provided by China.

Sihanouk said that his forces have received far less military assistance than the government, which is supplied by the Soviet Union and Vietnam.

But he rejected a Soviet proposal to halt military aid to all sides in the fighting.

It would be impossible to monitor such a halt, he said, because these supplies can and will always come clandestinely to the Hun Sen group by numerous land, river, marine and aerial routes (from Laos and Vietnam).

He said the resistance would be at a terrible disadvantage if the Thai government ever decided to cut "the supply line that necessarily passes through Thailand" from China.

Sihanouk said he was looking forward to returning to live in Cambodia at the end of February and indignantly rejected press suggestions he would be unhappy without the luxurious accommodation of his former palaces in Cambodia and residences in France, China and North Korea.

Friction Between Noncommunist Factions Reported

BK1602014190 Hong Kong AFP in English 0837 GMT
15 Feb 90

[By Michael Adler]

[Text] Banteay Chhma, Cambodia, Feb 15 (AFP)—Anti-Phnom Penh guerrilla leader Son Sann has accused his own noncommunist army of abusing people in territory it has conquered in Cambodia. The charge raises the spectre of a schism among noncommunist Cambodian guerrillas, who are backed both by the United States and China.

It comes within two weeks of peace talks set for Jakarta focusing on what to do about the Khmer Rouge, Cambodia's former Marxist rulers now allied with the non-communists in their war against the Vietnamese-backed Phnom Penh regime.

"Some groups are not going to fight but to take oxen from the people" or to cut timber, Mr. Son Sann said on a one-day visit to this northwest Cambodian town on Wednesday [14 February].

The prime minister of the three-party guerrilla coalition is the most senior official to visit the zone seized in September only days after the end of Vietnam's decade-long Cambodian occupation to prop up a client regime in Phnom Penh.

He quoted to a cheering crowd of 3,000 peasants a statement by Prince Norodom Sihanouk, the guerrilla coalition leader and head of the other noncommunist army, that part of Mr. Son Sann's Khmer People's National Liberation Front (KPNLF) have "become worse than the Khmer Rouge, because now people ask the Khmer Rouge to liberate them" from KPNLF forces.

A source close to Mr. Son Sann said there had been an incident in which peasants had asked the Khmer Rouge to get back cattle taken by KPNLF troops.

Mr. Son Sann quoted the prince as saying: "The army of the Khmer People's National Liberation Front is making oppression—robbery, killing, raping the Cambodian people in the liberated zone."

Mr. Son Sann said this was ironic since the Khmer Rouge, former Marxist rulers accused of genocidal atrocities, are considered the main obstacle to peace and fears of their return to power despite their alliance with the KPNLF and Prince Sihanouk's army are widespread.

The Khmer Rouge, still considered by far the most powerful guerrilla army, have seized territory south of the noncommunists' victories north of Sisophon, 400 kilometres (240 miles) northwest of Phnom Penh.

The noncommunists receive smaller amounts than the Khmer Rouge of arms and ammunition from China and have severe internal problems.

Mr. Son Sann controls barely one-third of some 11,000 KPNLF guerrillas as his military commander General Sak Sutsakhan refuses to recognize his authority.

Prince Sihanouk has become increasingly critical of Gen. Sak. In November the prince sent him a tape cassette in

which he accused the general of despising him and harassing his people in the field, diplomats said.

At least one minor clash has been reported since then between soldiers of the KPNLF and Prince Sihanouk's National Sihanoukist Army (ANS). A KPNLF spokesman denied there had been clashes.

But KPNLF sources have complained that while they did the bulk of the fighting to seize territory, the ANS has tried to claim credit and is administering areas it did not conquer. The ANS is believed to have about 6,000 front-line fighters to 30,000 for the Khmer Rouge and perhaps 40,000 for Phnom Penh.

Diplomats said both noncommunist forces have been warned against quarrelling since peace diplomacy for Cambodia is at a fragile juncture. They said it would be tragic for the noncommunists to split and become ineffective just when they have won their greatest military victories and when a viable alternative is needed to the Khmer Rouge.

Mr. Son sann, 78, said upon his return to Cambodia after a decade of exile: "This is the beginning of a political struggle, of a political solution."

Mr. Son Sann, prime minister in Phnom Penh in the 1960s, said his return in the heart of a zone some 100km (62 miles) long and 40km (24 miles) wide seized by noncommunist guerrillas, was a "test" for a return to Cambodia later this month by Prince Sihanouk.

Banteay Chhma, 20km (12 miles) east of the Thai-Cambodian border in a sector 250km (155 miles) east of Bangkok, is a complex of villages where some 3,600 people live. The two noncommunist armies of Mr. Son Sann and Prince Sihanouk claim to have "liberated" a region of some 50,000 people.

VOK Urges Consolidation for 'Just Solution'

BK1002091590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 10 Feb 90

[Political commentary: "We, the Cambodians, Must Always Consolidate Our Stance Until a Correct and Just Solution for Cambodia Is Reached"]

[Text] While other people are watching for an outcome of the coming meeting to settle the Cambodian problem, the Cambodian people in various parts of the world are also expecting to see a correct and just solution for Cambodia.

People the world over want nothing else but to see the Cambodian people enjoy their right to self-determination, the basis for Cambodia's national independence. As for the Cambodian people, they cannot accept anything less than national independence.

A correct solution for Cambodia is based on the fact that the Cambodian people are allowed to vote freely in order

to elect an independent administrative regime for Cambodia. Therefore, this correct solution will protect the Cambodian interests, that is the genuine interests of the Cambodian people and not the interests underneath the Vietnamese interests that the Heng Samrin communist regime is currently pursuing in Cambodia.

The correct line is to ensure that the Cambodian people really enjoy the right to decide their own destiny. In this connection, the Cambodian people must have the right to vote freely. It is this right to vote freely that will revive genuine independence for Cambodia.

Judging from the latest developments related to the search for a solution to the Cambodian problem, all parties seem to accept the proposal for Cambodia to be under UN trusteeship pending a free election in Cambodia.

This means that the United Nations is duty-bound to organize a free and fair election in Cambodia. The UN power to control and organize the administrative system in Cambodia has not yet been discussed. But, as an alternative to ensure genuine independence for Cambodia, it is necessary for the United Nations to have sufficient power to guarantee a genuinely free election in Cambodia, that is this power should not be less than what the United Nations needs for ensuring a free and fair election.

Therefore, if the coming peace negotiation is to seek a solution based on Australia's proposal that Cambodia be placed under UN trusteeship, the United Nations should be given sufficient power to ensure a free election in Cambodia. Only a solution that sufficiently ensures the right to self-determination for the Cambodian people can open the way for Cambodia to enjoy genuine independence. This is a correct way toward breaking through the deadlock and ending the Cambodian people's suffering. But if the Heng Samrin regime and the Hanoi authorities—the guardians of this regime—try to maintain the communist regime and refuse to let the Cambodian people vote correctly, the solution to the Cambodian problem will continue to face a deadlock. This means that Vietnam and the Cambodian group that it installed remain insincere in the settlement of the Cambodian problem.

In the current circumstances, there is no reason for the Cambodian people to soften their stance even though it is said that Vietnam and the Cambodian group that it installed have shown their flexibility; but if Vietnam remains insincere, the Cambodian national resistance movement will always consolidate its stance. We fight for Cambodia to enjoy genuine independence. This is the right and duty of every Cambodian.

Soviet, SRV Specialists Said To Inspect Roads

BK1402030390 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Feb 90

[Excerpt] Between 5 and 10 February, five Soviet and 20 Vietnamese specialists and other forces inspected the railway line and National Route 5 between Svay Don Kev and Moung [Battambang Province]. Along with the inspection, these Soviet and Vietnamese specialists gave instructions for repairing the railway line and Route 5 so that Vietnamese troops and Soviet ammunition can be sent to western Cambodia.

Between 5 and 10 February, another group comprising three Soviet and eight Vietnamese inspected National Route 6. First, the group inspected the Kompong Thmar bridge across Chinit River and afterward the Prey Pras bridge crossing Prey Pras river north of Kompong Thom.

These activities by Soviet and Vietnamese specialists are related to the intensification of Vietnam's war of aggression and occupation in Cambodia. [passage omitted]

9 Feb Battle Activities in Battambang Reported

BK1602014290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Feb 90

[Text] On 9 February, our national resistance forces launched a sweep operation against Vietnamese-puppet positions—three regiment positions at Chan Kiri and Kouk Trom and two battalion positions defending Sla Ket and Ta Man bridges—along the railroad track between Ta Pde and Kouk Trom on south Battambang battlefield. After fighting for 20 minutes, we totally controlled these positions. We killed four enemy soldiers and wounded five others, and destroyed a four-km portion of railroad track between Kbal Say and Ta Pde, a 30-meter bridge at Sla Ket, a 10-meter bridge at Chan Kiri, 10 assorted guns, and some war materiel.

Another group of our national resistance forces fired 107-mm rockets into Ta Pde and Kbal Say positions, killing 10 enemy soldiers and wounding 12 others.

Indonesia

Alatas on Khmer Rouge Attendance at Peace Talks

BK1302082490 Jakarta Domestic Service in Indonesian 0700 GMT 13 Feb 90

[Text] Foreign Minister Ali Alatas has not received an official letter from the Khmer Rouge [words indistinct] not to attend an informal meeting in Jakarta by the end of February. Briefing newsmen after calling on President Suharto at Merdeka Palace, Jakarta, this morning, Minister Ali Alatas said, however, that the Khmer Rouge had indeed posed questions on the Jakarta meeting. The Khmer Rouge's questions had already been answered.

Minister Ali Alatas pointed out that the Jakarta meeting scheduled for 26-28 February would be part of a new round of talks. The Jakarta meeting is to be organized not by Indonesia alone, but by both Indonesia and France. If the Khmer Rouge refuse to attend the Jakarta meeting, Indonesia will consult France on whether or not the Jakarta meeting will proceed.

Minister Ali Alatas reiterated that Indonesia was continuously making contacts with all sides on the Cambodian issue, including members of the United Nations Security Council.

Radical Muslim Member Sentenced to 17 Years

BK1202105690 Jakarta THE JAKARTA POST in English 8 Feb 90 p 2

[Text] Jakarta (JP)—A member of the Moslem radical Mujahidin Command Front was yesterday sentenced to 17 years in jail for plotting to establish an Islamic state and to overturn the government.

The East Jakarta District Court panel of judges, presided over by Hartoko, ruled that Sudharsono, alias Masdar, 26, was guilty of masterminding a series of unlawful actions which could have undermined the state ideology Pancasila as well as the government.

Judge Hartoko said the actions, conducted between August 1988 and Feb. 1989, had created unrest and disturbed nation's security.

Public prosecutor Ruslan Hafid had asked the court to sentence the defendant, a former student of a business college in the capital, to 20 years in jail.

Hartoko went on to say that although the defendant had denied being a member of the group, a number of witnesses had testified that Sudharsono, along with Nur Hidayat, had attempted to attract new members and had cooperated with several other radical Moslem organizations in the country to establish an Islamic state and replace Pancasila and the 1945 Constitution with Islamic teaching.

Nur Hidayat, leader of the group, was also sentenced to 17 years in jail on similar charges.

Judge Hartoko said the defendant and his accomplices had set up short and long-term programs aimed at setting up an Islamic state.

In the short-term program, the defendant and his group had intended to establish several Islamic villages to be used as the organization's base camps where members were to be trained as militant Moslems ready to die as martyrs in their struggle to achieve their goal, the judge said.

The idea to establish an Islamic state was mainly based on the group's opinion that the current government was oppressive and unscrupulous, Hartoko continued.

According to the defendant, the judge said, there would be a revolution in the country within the next 10 years. The revolution would include three political forces socialist, nationalist and communist groups.

Therefore Moslem people, to be led by the Mujahidin Command Front, had to make preparations to establish an Islamic state and to topple any ruling government which used a constitution and state ideology different than Islamic teachings.

The defendant and his Jakarta group had also been associated with an incident in Lampung involving a militant Moslem called Mujahidin Fisabilillah.

The defendant, a father of two children, was also accused of sending 300 poisonous arrows to the group to be used in a clash with national troops. The incident killed 34 people, and the poisonous arrows were presented as evidence in the trial.

Yesterday's session was closed after the defendant decided he would not appeal against the court's decision. However prosecutor Ruslan told the court he would consider making an appeal.

Four Executed for Role in 1965 Coup Attempt

BK1602113090 Hong Kong AFP in English 1124 GMT 16 Feb 90

[Text] Jakarta, Feb 16 (AFP)—Four men, sentenced to death for their part in an abortive 1965 coup staged by the Communist Party of Indonesia (PKI), were executed here early Friday, diplomatic sources said.

The four men, sentenced between 1969 and 1971 and aged between 52 and 62, were presidential guards believed to have taken part in the killing of six generals in the early hours of the coup on October 1, 1965.

The executions by firing squad were carried out in a Jakarta suburb, the sources said.

Laos

U.S. State Department Report Denied by KPL

BK1602142490 Vientiane Domestic Service in Lao 1200 GMT 16 Feb 90

[Text] Of late, some Western news sources, particularly a report by the Voice of America radio on 14 February, have disseminated a statement of the U.S. State Department expressing concern over a report on the so-called use of air and ground forces by the Lao Government to attack some villages in central and northern Laos, thus inflicting losses to the lives and property of the people.

KPL [PATHET LAO NEWS AGENCY] categorically denies this groundless, fabricated report, and holds that the statement is tantamount to undermining the efforts to improve relations between Laos and the United States, and has created doubts in the world public

opinion. In addition, it has slandered and trampled on the honor and prestige of the Lao People's Democratic Republic.

Meeting Held With Supreme Soviet Delegation

BK1602060290 Vientiane Domestic Service in Lao 0000 GMT 16 Feb 90

[Text] Yesterday morning [15 February], a delegation of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR] and a delegation of the USSR Supreme Soviet met in Vientiane capital. The Lao side was led by Comrade Somlat Chanthamat, secretary of the Lao People's Revolutionary Party Central Committee and head of the Propaganda and Training Board of the Party Central Committee. The Soviet side was led by Comrade Gumer Ismagilovich Usmanov, secretary of the CPSU Central Committee and member of the USSR Supreme Soviet.

During this meeting the two sides informed each other of the development of the respective assemblies, in particular during the period of change which has brought about a better life, both in the material and spiritual fields, for the people in both countries and which has allowed both countries to advance. The two sides also reiterated that during this period of change, the assemblies of the two countries still face many difficulties resulting from pressures at home and abroad. Nevertheless, the assemblies of our two countries have tried to study and improve their respective legal systems to match the new, genuinely democratic changes.

On this occasion, the Lao side informed its Soviet counterpart of its achievements in drafting the constitution of the LPDR, which is expected to be completed in late 1990 or early 1991, and of the endorsement and promulgation of the criminal law, law on procedures for criminal cases, law on people's judiciary institute, and law on the people's court.

The Supreme Soviet delegation conveyed its sincere and warm greetings and best wishes from Comrade General Secretary Mikhail Gorbachev, president of the Supreme Soviet, to members of our Lao SPA, for success in effecting the new changes in Laos, and wished the entire Lao people new, still greater achievements in implementing various resolutions of the party and state. The Soviet side also invited the SPA to send a delegation to the Soviet Union. The invitation has been accepted, in principle, by our Lao side.

Usmanov Presents Award to Phoun Sipaseut

BK1602103890 Vientiane KPL in English 0957 GMT 16 Feb 90

[Text] Vientiane, Feb 16 (KPL)—Mr. Phoun Sipaseut, Politburo member of the Lao People's Revolutionary Party Central Committee [LPRP CC], vice chairman of the Council of Ministers, minister for foreign affairs, was conferred here yesterday afternoon an "international

friendship" order from the USSR Supreme Soviet by Mr. G.I. Usmanov, CPSU CC secretary.

The conferment of the order was in recognition of the Lao foreign minister's contribution to the development of friendship and all-round cooperation between Laos and the Soviet Union.

Taking part in the presentation ceremony were Mr. Somlat Chanthamat, LPRP CC secretary, head of its Propaganda and Training Board; Mr. Chaleun Yiapao-heu, LPRP CC alternate member, member of the Standing Committee of the People's Supreme Assembly; Mr. Soulivong Phasitthidet, deputy head of the LPRP CC's Foreign Relations Board, deputy minister of foreign affairs.

Also present at the ceremony was Mr. Yuriy Mikheyev, Soviet ambassador to Laos.

Mr. Usmanov in the same afternoon presented a bust of Lenin to the party school.

DPRK Delegation Concludes Friendship Visit

Calls on Phoumi Vongvichit

BK1602065990 *Vientiane Domestic Service in Lao*
1400 GMT 15 Feb 90

[Text] This morning at the presidential office, Phoumi Vongvichit, acting president of the Lao People's Democratic Republic [LPDR], received a courtesy call by a DPRK Foreign Affairs Ministry delegation led by Deputy Minister Cha Pong-chu. On this occasion, Phoumi Vongvichit briefed his guest on the LPDR's situation, in particular the changes in the economic field and the consolidation, perfection, promotion, and expansion of the popular democratic system (?under the guidance and leadership) of our party in the new stage. The acting president also welcomed the DPRK delegation's visit, which has contributed to further strengthening relations and cooperation between the LPDR and the DPRK.

Cha Pong-chu thanked the Lao party and government for always supporting the reunification of the Korean nation and for contributing to the strengthening of Lao-Korean solidarity on the basis of friendly relations between the two countries. Cha Pong-chu also told the acting Lao president about the delegation's success in this visit. He made particular note of the signing of an agreement on cooperation [word indistinct] between the delegation and the Lao side and the setting up a committee on bilateral economic and technical cooperation.

That afternoon, the DPRK Foreign Affairs Ministry delegation left for home after its one-week friendship visit to the LPDR at the invitation of the Lao Foreign Affairs Ministry.

Press Release on Visit

BK1602073390 *Vientiane Domestic Service in Lao*
0000 GMT 16 Feb 90

[Foreign Affairs Ministry press release on the visit to Laos by a DPRK Foreign Affairs Ministry delegation—dated 16 February]

[Text] In response to an invitation from the Lao People's Democratic Republic [LPDR] Foreign Ministry, a DPRK Foreign Affairs Ministry delegation led by Comrade Cha Pong-chu, deputy foreign affairs minister, paid an official friendship visit to the LPDR 8-15 February.

On its arrival at Wattai Airport, the DPRK delegation was welcomed by Comrade Soulivong Phasitthidet, LPDR deputy minister of foreign affairs, and Comrade Chang Yong-chun, DPRK ambassador extraordinary and plenipotentiary to the LPDR.

During the visit, the DPRK delegation called on Comrade Phoumi Vongvichit, LPDR acting president. The guest and host spoke with each other in an atmosphere of warm friendship. The delegation also met with other Lao leaders and toured some historical places and construction sites in Vientiane Municipality and Champassak Province. It also signed, with the Lao side, a number of documents.

Comrade Cha Pong-chu and Comrade Thongsavat Khaikhamphithoun, first deputy foreign affairs minister, held talks and exchanged information on the situation in their countries. They also discussed bilateral relations and international issues. The two sides emphasized the developing relations of friendship between the two governments and peoples of Laos and Korea. They reached an unanimity on the promotion and expansion of broad relations for the benefit of the two countries' peoples.

On international issues, the two sides believe that lately various countries have achieved success in the struggle to defend independence and peace. They noted that the imperialists and reactionary powers have not yet abandoned their schemes to sabotage the revolutionary gains scored by the peoples of socialist countries and that they have also sought every means to effect a peaceful change in those countries and to interfere in various countries in order to subvert and sabotage their independence and sovereignty, thus endangering and threatening peace and progress in many regions of the world.

The party, government, and people of Laos acknowledged that the initiative of Comrade Kim Il-song, DPRK president—which is intended to abolish the north-south wall to open the door for free and comprehensive exchanges of visits—is a reasonable proposal that will lead to the prevention of confrontation and a relaxation of the tense situation in the world and will pave the way for the nation's independent, peaceful reunification and for safeguarding independence and security in the world. The Lao party, government, and people fully supported the proposal.

The DPRK Foreign Ministry delegation expressed profound gratitude to the Lao party, government, and people for always supporting the Korean people's just cause of an independent, peaceful reunification of the nation. The delegation acknowledged that the Lao Government's consistent foreign policy of peace, independence, friendship, and nonalignment—which is aimed at turning Southeast Asia into a nuclear-free region of peace, stability, friendship, and cooperation—has significantly contributed to the cause of peace in Asia, the Pacific, and the rest of the world. The delegation fully supported that policy.

The two sides are convinced that the success of the meeting—which was held in a cordial, friendly atmosphere and which brought about the signing of agreements on cooperation between the LPDR and DPRK foreign affairs ministries and on 1990-91 cultural exchanges between the two countries—will contribute to promoting and expanding fraternal friendship and cooperation in many fields between the LPDR and the DPRK.

SRV Foreign Relations Delegation Arrives

*BK1602102490 Vientiane KPL in English 0945 GMT
16 Feb 90*

[Text] Vientiane, Feb 16 (KPL)—A delegation of the Foreign Relations Board of the Communist Party of Vietnam Central Committee, led by its deputy head, Phan Dinh Vinh, yesterday arrived here on a working visit in the framework of the bilateral cooperation plan.

The delegation is to meet with its Lao counterpart, the Foreign Relations Board of the Lao People's Revolutionary Party [LPRP] CC [Central Committee], for a review of the last year coordination between the two boards. The sides will also discuss the effective development of their cooperation to strengthen the special relationship, solidarity, and integrated cooperation between Laos and Vietnam.

On arrival at the airport, the Vietnamese delegation was welcomed by Thongloun Sisoulit, deputy-head of the Foreign Relations Board of the LPRP CC, and Tran Quang Ngo, Vietnamese charge d'affaires A.I. here.

Nouhak Phoumsavan Address to Supreme Assembly

*BK1402144390 Vientiane Domestic Service in Lao
0500 GMT 12 Feb 90*

["Text" of address by Nouhak Phoumsavan, member of the party Central Committee Political Bureau and chairman of the second Supreme People's Assembly, at the closing ceremony of the Assembly's third plenary session in Vientiane on 11 February—read by announcer]

[Text] Beloved members of the presidium, personalities, and comrades: After three days of enthusiastic work with its sense of responsibility, the third plenary session of the second Supreme People's Assembly [SPA] closes with

success today. The session discussed and endorsed the socioeconomic development plan and state budget for 1990. The session felt honored to hear the report on the general situation of the implementation of duties in the past year and the duties and tasks for 1990 in line with the fundamental spirit of the resolution of the ninth party Central Committee plenum. The session also heard the report on the implementation of the socioeconomic development plan and state budget for 1989 and the socioeconomic development plan and state budget for 1990 presented on behalf of the government by Comrade Sali Vongkhamsoo, vice chairman of the Council of Ministers and minister of economy, planning, and finance.

As I mentioned in my speech at the opening of this session, this year's plan is tremendously significant because it will compensate for the delay, stagnation, and shortcomings accumulated during the past four years, thus ensuring the success of the coming third five-year state plan—another important milestone on the path of economic development and national management. For this reason, it is necessary to consolidate ideas, knowledge, capabilities and revolutionary determination to further exploit the potentials of our country and people to fulfill the target figures of the 1990 plan.

The presentation of the draft 1990 socioeconomic development plan and state budget to the SPA for deliberation and endorsement today, for us, is a new task and the first step in implementing the political restructuring system, to create conditions conducive to continuation of endeavors to restructure the political system. Based on the economic restructuring system, we have laid down the plan and policy for restructuring the political system with firm steps. At the initial phase, we still lack experience. However, we believe that we will advance step by step toward new quality in the next SPA sessions.

Beloved personalities and comrades, we are now in the last year of the second five-year state plan. It is the first year of the last decade of the 20th century. The internal and external situation will bring new facilities as well as some difficulties and confusions. Therefore, we must enhance our vigilance against every subversive and destructive scheme of the enemies and negative phenomena that can hinder the expansion of our people's revolution. In order to overcome these difficulties and obstacles, cadres, soldiers, and people must enhance solidarity and be united on the right path of our party, headed by beloved Comrade General Secretary Kaysone Phomvihane.

During this session, we have unanimously agreed upon the tasks, orientations, objectives, and measures prescribed in the ninth resolution of the party Central Committee and the 1990 socioeconomic development plan and state budget. We must strive to adopt a new posture and limit and eliminate weak points, errors, and difficulties in order to jointly advance ahead. As we were unanimously endorsing the 1990 socioeconomic development plan and state budget, many people's deputies

acclaimed the achievements scored in the process of socioeconomic development in our country; they also dared to frankly criticize and comment on serious errors committed by different services and localities in the macromanagement of state and the disproportionate development of economic infrastructure among services and localities.

Currently, some services and localities are still confronting difficulties. Many deputies discussed agriculture in the past several years in general, and in 1989 in particular. However, the progress and productivity expansion achieved in past years, in general, were still slow—not appropriate for agriculture, which should be regarded as battlefield No. 1. A number of deputies criticized the lack of attention paid to transport and communication development, despite its position as the spearhead, especially in the remote rural areas. A number of deputies negatively criticized the way social tasks, such as in education and public health, have been handled with less attention than they deserve. In mountainous and remote regions and low plains, teachers are not paid regularly. Teachers, schools, teaching and learning aids, hospitals, health services, medical equipment, and medicines are inadequate in those areas. Some deputies criticized the revival of foreign decadent culture in some towns, thus adversely affecting youths and the maintenance of peace and order in the country.

The frank criticisms and comments made by the deputies correctly reflected the opinions of the people on the management of the state. Giving our attention to the issues of discussion was a condition to ensure the quality of our voting. We have correctly executed the roles and duties of the organization that represents the people and the state's supreme power. In other words, we have started an important step in implementing the policy of restructuring the political system.

Beloved personalities and comrades, our endorsement of the 1990 socioeconomic development plan and state budget is very significant. However, this is only an initial step. The decisive problem is how to organize the thorough application of the ninth resolution of the party Central Committee with implementation of the 1990 socioeconomic development plan. As in the past, we admit that organizing the implementation of the party and state's resolutions is our serious weak point in every sphere of work. We have failed to turn all those correct resolutions into actual deeds of our cadres and people. This is a problem that involves the working method of cadres in all sectors and units and at all levels, for they have been keeping themselves far from realities and the masses.

To gradually extricate our country's socioeconomic expansion from backwardness, we must pay attention to organizing the implementation of every party and state resolution. Following the SPA endorsement of the 1990 socioeconomic development plan and state budget, cadres in all sectors, units, and localities must be highly determined in organizing the implementation of the

resolutions. First of all, they must transform the socioeconomic development plan into detailed plans and projects for every sector, unit, locality, and the grass roots, and simultaneously lay down clear programs of action to ensure the successful implementation of the plan. The SPA, the supreme organization of the state power and people, must adequately recognize its responsibility in organizing the implementation and—together with people's councils at all levels—monitor and control the implementation of the 1990 socioeconomic development plan and state budget in all services and localities.

The members of the SPA and the people's councils at all levels must jointly propagate the spirit and contents of ninth resolution of the party Central Committee and the 1990 socioeconomic development plan among the people; supervise and advise on the effective implementation of the plan; open classes to study criminal law for cadres, soldiers, police, and people to prevent the violation of laws and orders and to maintain peace and order in the country; report the success of this session to the people in their respective constituencies; exchange views with the people so as to learn difficulties and shortcomings facing services, units, localities, and the grass roots, give suggestions to the party and administrative committees concerned, and make joint efforts to solve the problems; mobilize the people to create conditions conducive to successful implementation the 1990 socioeconomic development plan and state budget; and make primary preparations for the coming third five-year plan.

I once again express my profound gratitude to respected Comrade Kayson Phomvihane, general secretary of the party Central Committee and chairman of the Council of Ministers; Comrade Phoumi Vongvichit, acting president of the country; comrade members of the party Central Committee Political Bureau and Secretariat; comrade vice chairmen of the Council of Ministers; ministers; and chairman of the state committee [as heard]. I thank foreign diplomats, representatives of international organizations, Lao and foreign news reporters and journalists. I wish comrade SPA members, both males and females, safe trips back to your units and localities to continue carrying out the honorable duties entrusted by the people.

I hereby declare the official closure of the third plenary session of the second SPA.

Consultative Meeting for Sports Conference Held

*BK1502105390 Vientiane KPL in English 0900 GMT
15 Feb 90*

[Text] Vientiane, Feb 15 (KPL)—The preparatory commission for the third nation-wide sports conference held here on Feb. 5 a consultative meeting.

Among others taking part in the meeting were Saman Vi-gnaket, Politburo member of the Lao People's Revolutionary Party Central Committee, minister of education and sports; Phiang Sisoulat, deputy minister of education and sports; and some officials concerned.

Saman Vi-gnaket, on this occasion, put an emphasis on the significance of the Lao sports circle and pointed to the interaction of sports and health.

Philippines

CIA Said Behind Plots To Overthrow Aquino

HK1602054190 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 15 Feb 90

[Slantlines denote passages in English]

[Text] Senator Aquilino Pimentel Jr. charged that the United States is behind all the bad publicity about the country and the various moves for holding early presidential polls and for a change to a new government system:

[Begin Pimentel recording] These moves, like batting for a unicameral system, a parliamentary system, and holding snap elections, all of these, including the 1 December coup, have connection to [word indistinct]. The CIA had something to do with this. /The mere fact alone/ was that they did not impart to us their knowledge about the coup d'etat, /that means that they were in complicity/, they were involved in the threats to overthrow President Aquino's government. All of these were /but to lay pressure on the position of the Philippine Government on the extension of the U.S. bases in our country./ [end recording]

Ramos To Press for Military Equipment Delivery

HK1602021390 Manila Far East Broadcasting Company in English 2300 GMT 15 Feb 90

[Excerpt] Defense Secretary Fidel Ramos said he will press U.S. Defense Secretary Cheney to give top priority for the immediate delivery of 30 helicopter gunships and 35 naval gunboats ordered by the Philippines. Cheney and Ramos will meet on Monday in Camp Aguinaldo to discuss U.S. commitments to the Philippines, including the \$200 million military assistance which was reduced to \$140 million by the U.S. Congress. Ramos said the cut by \$60 million is quite a substantial reduction that will have an adverse impact on the modernization plan for the AFP [Armed Forces of the Philippines]. [passage omitted]

Students Plan Anti-Cheney Rally for 19 Feb

HK1402132390 Manila Radio Veritas in Tagalog 1300 GMT 14 Feb 90

[Text] Militant students will stage a demonstration to protest the visit of U.S. Defense Secretary Richard Cheney. According to a spokesman of the National Union of Students of the Philippines, the anti-Cheney rally will be held on 19 February.

Military Alert for Attacks During Cheney Visit

HK1602085390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 16 Feb 90

[By Eloi Aquino from Camp Aguinaldo]

[Text] Military and police units in Central Luzon were today placed on alert following reports of a Communist Party of the Philippines' plan to attack U.S. military facilities and personnel during the visit of U.S. Defense Secretary Dick Cheney in the Philippines.

A military official who requested anonymity said that the new NPA [New People's Army] offensive against Americans is intended to demonstrate their opposition to visits by U.S. officials to the Philippines. The same official also revealed that the rebels' plan is also meant to embarrass the government of President Aquino and to provide the rebels with a psychological advantage that will hopefully boost their declining morale.

Meanwhile, military authorities at Camp Aquino, Tarlac ordered all military and police units to step up patrol missions and set up mobile checkpoints to enhance their visibility and check any rebel offensive. Special security arrangements are also in force at the U.S. Subic Naval Base where U.S. Defense Secretary Dick Cheney and his entourage are expected to visit following a meeting with Defense Secretary Fidel Ramos on Monday.

Military authorities also said that the rebels hope to attract attention with their military operations during Cheney's visit. Last year, two civilian communication technicians working at Camp Ordenez, Capas, Tarlac were ambushed and killed by suspected NPA sparrow hitmen a day before U.S. Vice President Dan Quayle arrived in the country.

Official Denounces Pressure To Keep Bases

HK1502095390 Manila Radio Veritas in Tagalog 0900 GMT 15 Feb 90

[By Gabby Salcedo from Malacanang Palace]

[Text] Exploratory talks on the U.S. military bases issue are expected to start in late April. This was revealed by Press Secretary Tomas Gomez III. It will be recalled that Foreign Affairs Secretary Raul Manglapus had earlier mentioned that the talks will begin in the next two months, either in March or April. However, Secretary Gomez reported that the exploratory talks will start in late April.

Secretary Gomez made this announcement after criticizing the U.S.-based think tank, Heritage Foundation, which published a paper on the existing graft and corruption in the government and on the need for implementation of reforms in the Aquino administration.

Here is the statement by Press Secretary Tomas Gomez III.

[Begin Gomez recording in English] A so-called think tank from the American capital, the Asian Studies Center of Washington's Heritage Foundation, has come up with a typical scare story whose hidden agenda was simply to seek the extension of the American military facilities in the Philippines which expires in 1991.

We would like to think that this story is not reflective of the thinking on Capitol Hill. International relations are not conducted by affirming the warm and friendly ties that one sovereign country professes for another country, while at the same time, allowing for unofficial leaks to negate such ties.

The exploratory talks on the RP [Republic of the Philippines]-U.S. bases agreement will begin in late April. The highest national interest will dictate the Philippine position.

It would have been consistent with the public statements by U.S. leaders had the alleged Washington think tank condemned another coup attempt against the Philippine Government, rather than crowing about it and later raising the possibility of a communist takeover. With friends like the Washington Heritage Foundation, you do not need enemies.

There seems to be a spreading intellectual malaise from across the seas not to accept the reality that the Aquino government was installed to put an end to the corruption of the previous Marcos regime, among others. For it to claim now that there is enough corruption in the country to lead to the downfall of the government is stretching the limits of human credulity.

Again, for the Heritage Foundation of Washington to preach to President Aquino to gain the confidence of young Filipino officers and show more support to forces fighting the communists, seems rather presumptuous since this is being done already. The Washington think tank need not raise too many red herrings when all it wanted was to put pressure on the Philippine Government to extend the presence of the American military bases here. [end recording]

Column Views Aquino, Bush Reactions on 'Snub'

HK1602041990 Manila PHILIPPINE NEWSDAY
in English 16 Feb 90 p 10

["Turn of Events" column by Francisco S. Tatad: "The Bush Rebuke"]

[Text] President Aquino's decision to snub Richard Cheney, U.S. Secretary of Defense, on his visit to Manila this weekend has finally borne fruit. In an interview with NEWSDAY, New York, U.S. President George Bush publicly rebuked Mrs. Aquino for it, while conceding her right and prerogative to do as she pleases. But for reasons of its own Malacanang seems to believe he has commended her instead.

Bush says he is not angry—he says he never gets angry anymore—but he is clearly annoyed and he shows it despite the attempt at diplomatic language. Listen to this:

"If she was asking for a little free advice, I'd say, listen, every time I talk to Dick Cheney I come away smarter and I know a little bit more than when I sat down with him, and I can see more clearly what the role of the United States ought to be in areas like the Pacific. So maybe you'd be like me, maybe you could learn from the man—or he could learn from you, Madam President—Mrs. President we would call her."

Bush is careful to say the U.S. continues to back her, and that she remains "a strong symbol of democracy there and she has our support, and she knows that," but that is in answer to a question on how precarious her position is. It has nothing to do with lack of annoyance.

Providing a fitting background to Mr. Bush's public statement is a study released by the Washington-based Heritage Foundation, a conservative think-tank whose views carry enormous weight within the Republican Party and the White House, saying that Mrs. Aquino cannot survive another coup attempt like last December's, and that she should now crack down on corruption, gain the confidence of young officers, show more support to her forces fighting communist guerillas, and introduce economic reforms. The study group also urges the U.S. government to stress to the Aquino regime that any future military intervention would be very limited, and that economic aid would be linked to political reforms.

The Heritage study seems to echo the thrust of earlier reports that on his last visit here, Mr. Robert Gates, Mr. Bush's deputy national security adviser, had in fact expressed serious fears about the corruption and instability of the government and had asked Mrs. Aquino to "shape up or ship out"; and that Cheney was coming to Manila to, among others, restate that message, in case its import has been missed. Understandably, Mrs. Aquino does not want anyone telling her her great faults to her face—she hates unsolicited advice, a fact which the Bush administration apparently fails to appreciate.

Commenting on the Bush statement, Mrs. Aquino yesterday said: "President Bush and I have mutual respect for each other's personal views. I have spoken, so has he." Press Secretary Tomas Gomez III, in an effort to downplay the statement, invited attention to Bush's saying she remains a symbol of democracy, etc. Predictably, Gomez pointed to his usual "political spin doctors" in Washington as trying to misinterpret the mood prevailing in the Philippines.

I don't believe either Mrs. Aquino or her press secretary won any points.

Despite Bush's obligatory mention of continued support for Mrs. Aquino, the fact that he has publicly rebuked her is likely to be interpreted by some as a signal that

Washington would no longer be prepared to send those Phantom jets to her rescue in case the RAM-SFP (Rebolusyon-aryong Alyansang Makabayan [Nationalist Revolutionary Alliance]-Soldiers of the Filipino People) struck again, as they said they would. Malacanang on the other hand continues to believe that the U.S. buoyed up by the collapse of communism in all of Central and Eastern Europe, will not allow its successful intervention in the Philippines in 1986 and 1989 to go to seed and be replaced by something that would go against the democratic trend sweeping the rest of the world. It apparently believes that the U.S. will rather suffer Mrs. Aquino's petulance and childishness until 1992 than allow her corrupt and bumbling regime to be displaced by a military junta.

Either one has to be wrong, for only one of them can be right. But outside of the U.S. government no one knows now which side is right. The unfortunate thing about Bush's statement is that it gives Mrs. Aquino's enemies reason to believe that the White House may now be prepared to support anything they will do to her, while Malacanang sees in it what it has always chosen to see—signs of continued support. This increases the fervor of the putschists against the government, even as it makes the President impervious to free advice and calls for urgent political reform, which alone can effectively discourage popular support for another coup attempt.

Palestine Assures Neutrality on Mindanao Issue

HK1302035490 Manila PHILIPPINE DAILY INQUIRER in English 13 Feb 90 p 6

[Text] Palestine yesterday assured the government that it will not interfere with its conflict with the Moro National Liberation Front (MNLF) even as the Muslim state bared plans to set up an embassy in the country.

Palestine Foreign Undersecretary 'Abd-al-Latif Abu-Hajlah said his government has already vowed to support the position of the Aquino government against the Moro rebels.

"We do respect the integrity and sovereignty of the Philippines," Hajlah told reporters after a meeting with President Aquino and Foreign Secretary Raul Manglapus in Malacanang.

"We now have cordial and diplomatic relations with the government of President Aquino. We are ready to have formal relations with the Philippines," he added.

Hajlah led a delegation of Palestine officials during the meeting in Malacanang where he bared plans to put up an embassy in the country to further political and trade relations between the two states. The meeting was the first among the Philippine and Palestine officials since the two countries forged diplomatic ties last Sept. 28.

Manglapus told reporters that the meeting was cordial and warm. He said Ms. Aquino and the Palestine officials agreed to exchange diplomatic missions during the meeting.

Manglapus told reporters, however, that the government is not yet ready to open a resident embassy in the country because of budgetary constraints.

During the meeting, both government and Palestine officials also discussed the peace and order situation in the Middle East, particularly the hostile attitude of the Israeli government to the Palestinians.

The Israeli government does not recognize Palestine as a state.

Ilocos Officials Pledge Support to Aquino

HK1402030190 Quezon City Radyo ng Bayan in Tagalog 0230 GMT 14 Feb 90

[From Malacanang Info Service—in English]

[Text] President Aquino yesterday welcomed the municipal and provincial officials of Ilocos Norte who paid a visit to Malacanang. The group, headed by Ilocos Norte Governor Rodolfo Farinas, extended for the first time their support for the duly constituted government. They even expressed gratitude to the president in giving them time to meet the officials of Ilocos Norte.

According to Governor Farinas, the Ilocanos are for a united nation and therefore support the Aquino government. About 17 mayors and eight members of the provincial board went to seek audience with the president regarding developmental projects needed by the Ilocos Region to further achieve its economic goals. Included in the agenda are the following: Reopening of the Laoag International Airport; the transfer of the management and operations of the Malacanang of the North, Paoay (Lake) Sports Complex, and the governor's rest house, all in Curimao, Ilocos Norte; payment of the National Food Authority [NFA] of its debt to the provincial government; repair and improvement of the Marcos Hall of Justice in Laoag City; construction of a new building of the Ilocos Norte Provincial Hospital; release of calamity funds for Ilocos Norte, which was devastated by several typhoons; and various road constructions in the region.

Last year, the government for its part had directed all line agencies to assist Ilocos in recovering from the aftermath of several typhoons. During that time, the president herself directed the Bigay Puso [Give Heart] Foundation to extend necessary relief activities to the province in addition to the support given by both the Department of Social Welfare and Development and the National Food Authority.

Various projects have also been drawn up to revive the place's tourism potentials as well as investment opportunities.

President Aquino during the meeting said she will study thoroughly what the Ilocanos are asking for.

IMF Managing Director Cancels Manila Visit

HK1302100990 Manila PHILIPPINE DAILY
GLOBE in English 12 Feb 90 p 11

[Text] Michel Camdessus, managing director of the International Monetary Fund (IMF), will not come to the Philippines as scheduled on February 19 because of a pressing matter he has to attend to in Washington, D.C., Central Bank Gov. Jose Fernandez said.

Fernandez said he was informed of Camdessus' unavailability last Thursday at the IMF headquarters following a discussion over a possible increase in its funding to member countries.

Camdessus was scheduled to address a regional conference in the Philippines on February 19. He was also set to hold formal talks with President Aquino, Fernandez, and other government officials.

\$900 Million 4th Quarter BOP Surplus Reported

HK1302100590 Manila PHILIPPINE DAILY GLOBE
in English 9 Feb 90 p 11

[By staff writer Ray S. Enano]

[Text] The Philippines posted a huge balance of payments (BOP) surplus of \$900 million in the fourth quarter of 1989, enough to wipe out the deficit of \$552 million incurred in the first three quarters and swing the BOP to an overall surplus position of \$348 million for the year.

Central Bank Governor Jose Fernandez Jr. told a press conference yesterday that the rise in nontrade receipts, increased flows of credits and some debt reschedulings have offset the large import bill which caused the trade deficit to balloon to \$2.510 billion last year.

Preliminary data showed that in 1989 imports reached \$10.350 billion compared to exports with \$7.840 billion.

The current account deteriorated to a deficit of \$1.466 billion as a wide trade gap or 259 percent more than the deficit of \$408 million in 1988.

This notwithstanding, the country managed to yield a BOP surplus of \$348 million in 1989 as the bulk of foreign loans intended for financing the debt buy-back last January 3 came in last December 29.

A total of \$702.2 million in foreign loans was disbursed to the country in late December by a number of creditors including the World Bank and the International Monetary Fund (IMF). The Japan Export Import Bank and the Overseas Economic Cooperation Fund (OECF) of Japan also released their funds to bring the CB's gross international reserves (GIR) up to a hefty level of \$2.3 billion in December.

The country's BOP position had been in the negative side for the first three quarters of 1989. As expected, new money loans that were assumed at the start of the year did not materialize.

A larger import bill in the first nine months prompted the government to revise most of its economic targets downward.

The government had projected a BOP surplus of \$1.583 billion in March last year when it submitted the Memorandum of Economic Policy (MEP) to the IMF under the Fund's three-year extended fund facility.

But the strong upward pressure on imports and the bleak prospects for new money, particularly from foreign creditor-banks, prompted the government to scale down the BOP target to a leaner surplus of \$390 million. In 1988, the BOP yielded a surplus of \$664 million.

Ex-Im Bank Guarantees 85% of Loan Facility

HK1602055990 Manila BUSINESS WORLD
in English 16 Feb 90 p 1

[By Margaret J. Grey]

[Text] The United States Export-Import [Ex-Im] Bank is slowly moving away from mixing trade credits and aid in commercial transactions, said bank chairman John D. Macomber who will be in Manila until Feb. 18. "It's expensive and creates huge trade distortions and anxiety," he said.

Although aid is concessional, non-compliance with the terms involved in its release, more often than not, hampers the flow of funds into the intended project.

Because U.S. Eximbank is committed to trade financing, he does not foresee any extension of funds to the Philippines for debt reduction purposes. He said the \$600 million extended by the Export-Import Bank of Japan to the country for its debt buyback program is "largely a commercial banking operation" brought about by the recycling of excess funds arising from a huge trade surplus.

He, however, said the continued presence of the U.S. Eximbank in the country will, like in Mexico recently, encourage more American banks to extend trade credits to the Philippine private sector.

In his meeting yesterday with President Aquino, Mr Macomber broached innovative financing programs which the Bank would like to try out in the Philippines.

One of these programs is called "bundling" wherein a series of related small loans are bundled into a facility. Mr Macomber said discussions are now going on with a private domestic commercial bank as conduit.

U.S. Eximbank will guarantee up to 85% of the loan facility which normally ranges from \$300 million to \$400 million. The said facility being discussed right now will initially be funded at about 4100 million and will be

geared largely to medium-sized industrial enterprises. He added the Bank will initiate talks with other commercial banks for similar loan facilities.

Right now, the Bank's exposure in small- and medium-sized enterprises, defined as those employing less than 100 projects, roughly account for 35% of its local portfolio.

Government Reduces 'Dependence' on Foreign Loans

*HK1302102190 Manila MANILA BULLETIN
in English 13 Feb 90 pp 1, 16*

[By Sid Roman]

[Excerpt] Finance Secretary Jesus P. Estanislao said yesterday that the government is making a radical shift away from dependence on foreign loans.

"It is now a policy of the national leadership to get away from foreign loans and go into the real nuts and bolts of economic performance," Estanislao said at the opening ceremonies of the Societe Generale de Surveillance [SGS]-Bureau of Customs training course on pre-shipment inspection of imported goods at the Hyatt Regency Hotel.

Explaining the policy, Estanislao said in order to attain this radical shift, Philippine foreign trade must dramatically go up and a lot of foreign investments must be poured into the country.

Estanislao, also governor of the Board of Investments, said, however, that the most important single factor in attracting foreign investments is efficient and effective customs administration.

"So if you do your job well, we will be able to attract a lot of foreign investors," Estanislao told the 40 participants in the training program and other customs officials.

He said the SGS—customs training program provides two major concerns of President Aquino—government service and Filipinism.

The finance secretary exhorted customs officials and personnel to concentrate on service, stressing: "We are here in government in order to be able to serve and that service to our people will eventually be counted in the contribution we make to economic development."

Estanislao urged customs personnel to "put (their) activity more into the context of economic development." Customs work is important and closely related to an equally important activity, foreign trade, he said.

It is also about time to change the interpretation of the "Filipino First Policy" enunciated by former President Carlos P. Garcia, he said. "Filipinism" now means that the nation must come first and the individual second, he said. [passage omitted]

Finance Secretary Asks Results From U.S. Banks

*HK1602043790 Manila PHILIPPINE DAILY
INQUIRER in English 16 Feb 90 pp 1, 10*

[Text] Finance Secretary Jesus Estanislao yesterday urged American banks to match with action their promises to extend to the government new loans which he said must be set under favorable terms to the country.

"I always go on the basis of action. So I don't count words too much unless they are matched by actions," Estanislao told reporters after meeting with President Aquino, U.S. Ambassador Nicholas Platt, and John Macomber, chairman of the U.S. Export-Import [Ex-Im] Bank.

Eximbank is an American government agency founded in 1934 that facilitates the export financing of U.S. goods and services.

During the Malacanang meeting, Macomber pledged that Eximbank will continue to finance projects of the government, Estanislao said.

"They are offering help to be able for us to do it. They want to show their friendship. So we will watch them," he said.

Last week, Estanislao sent Platt a letter protesting a U.S. decision to abstain from voting on the \$390 million energy loan from World Bank for the Philippines.

On Monday, Estanislao blamed the Bankers Trust, an American bank, for the postponement of the loan signing for \$700 million new money the country was seeking from commercial creditors.

The Feb. 16 signing in Tokyo had to be postponed until the end of the month because, according to Estanislao, the American bank was seeking 15-year trade facility which he said was "unacceptable" to the country.

A trade facility restricts the government's discretion over the use of the money since such is extended only to finance imports.

Yesterday, Estanislao said he was not sure if the American creditors got his message right.

"Any support that would be given to the Philippines would be welcomed, but it will have to be on our terms and according to our own requirements. I don't think we would accept any conditionalities, unless they are out in the open," he added.

Macomber told reporters the Eximbank is working closely with the U.S. Agency for International Development to provide additional funds for government programs.

"The Eximbank is trying to provide the kind of credit and funds that the President needs and the President is asking us to provide and we will be doing that," Macomber said.

Estanislao said Macomber, who will be here until Sunday, did not specify any amount during the meeting with the president.

"They wanted to say that they wanted to help us get voluntary credit markets. That's something we decided to do on our own," he said, adding that the Japan Eximbank has surpassed the U.S. Eximbank in granting economic assistance to the country.

Editorial Deplores 'Threats' to Foreign Banks

HK1302101590 Manila MANILA BULLETIN
in English 13 Feb 90 p 6

[Editorial: "No Threats, Please!"]

[Text] The news media have of late given prominence to official threats that foreign commercial banks that do not "come along" in the Philippines' drive for foreign debt adjustment and reduction, cannot expect continued enjoyment of Philippine hospitality. Threats such as this are, at bottom, hollow and meaningless. By that token, they are harmful to Philippine interests.

The stakes of such banks in the Philippines are not all that vast, and the business the Philippines has to offer is not all that great, either. In real life terms, the loss of Philippine hospitality would not exactly mean tragedy for them. On the other hand, the Philippines can ill afford to alienate the goodwill of banks that are members of international consortiums that have long helped in buttressing and sustaining the Philippine economy.

It is well to bear in mind that the said banks are backed by their respective governments, that they are important members of the international community in which the Philippines has to make its way in the world, and that the international banking grapevine is one of the major intelligence networks in the world.

Negotiate, bargain, cajole, and argue with them, but don't threaten them unless you can pack a telling wallop behind your fierce rhetoric.

Donors Pour \$1.314 Billion Into PAP in 1989

HK1202043990 Manila BUSINESS STAR in English
12 Feb 90 pp 1, 3

[By Ana Pinto Nuguid]

[Text] The Philippine Assistance Program (PAP) has met 99% of its \$1.328-billion loan expenditure schedule for 1989 with the disbursement of \$1.314 billion by various creditors last year, the Coordinating Council for the PAP (CCPAP) said over the weekend.

Checking against both Central Bank (CB) and Department of Finance (DOF) records, CCPAP Chairman Roberto T. Villanueva said this represents a 39% increase over the 1988 level of \$948 million.

The PAP chief said out of the total amount, \$25 million is being set aside to fund feasibility studies which will facilitate the formulation and identification of workable projects.

"We received the highest inflow level last year ever...even in comparison with the Marcos years," Villanueva boasted.

He said \$1.198 billion or 91% of the preliminary total was recorded in the PAP books as official credits to the public sector, an increase of 33% over 1988's \$904 million.

While loans reached over \$1 billion, grants—or outright cash donations—contributed just \$161.6 million. Villanueva had earlier announced that \$2.5 billion worth of grants was committed to the PAP by 18 donor countries and nine multilateral agencies.

A flurry of official visits from donors in the wake of last December's putsch try had left impressions that no withdrawal of commitments was imminent, although closer attention was being paid on the country's aid use.

European Commission Ambassador Abel Matutes said during his mid-January 1990 visit that Europe was satisfied with the Philippines' use of its official development assistance (ODA), but pointed out there was room for improvement.

ODAs are either soft loans or outright grants extended by foreign governments or multilateral institutions.

Meanwhile, Elliot Richardson, an aide of U.S. President Bush, announced that his government would make good a pledge of \$160 million under the PAP framework. President Aquino is angling for an additional \$40 million which Bush may take out of his discretionary funds.

The PAP is a \$3.5-billion ODA package running through 1992 which aims to make the bottom 30% of the population more productive through a three-pronged approach:

- mobilize external resources to spur public investment in support of the country's medium-term development program;
- attract both foreign and domestic private investments and improve the country's terms of trade; and,
- support the government strategy to obtain debt relief.

The program supplied the bulk of the funds used in the debt buy-back operation which retired \$1.3 billion of the country's \$28 billion debt completed in early January.

While debt alleviation has received much publicity, energy appears to be PAP's biggest concern. CCPAP had said earlier that \$1.686 billion or 48% of the kitty would be spent on various power projects, funded mainly by Italy. These include:

- \$40 million for the Bacon Manito II project in Albay;

- \$32.657 million for the Luzon-Mindoro Interconnection project;
- \$11.606 million for the Luzon-Catanduanes Interconnection project;
- \$30.4467 million for the Luzon-Marinduque Interconnection project;
- \$160 million for an unspecified power project funded by the Asian Development Bank (ADB);
- \$390 million from the World Bank which will add around 2,260 megawatts to the country's resources, currently at 4171 megawatts.

In addition to power, countryside development through area-specific projects are also high on PAP's list.

The government recently launched the P90-million Samar development plan, the centerpiece PAP project.

Three initial projects in the Calabar (Calamba-Laguna-Batangas-Rizal) region aims to transform that area into an industrial corridor. CCPAP officials said the Japan International Cooperation Agency (JICA) is drafting a master plan for Calabar. The National Development Co. (NDC), Japanese construction giant Marubeni Corp, and Japan International Development Organization (JIDO) started construction in October 1989 on a project initially placed at P813.2 million.

CCPAP has not left out the South in its development priority list.

"Our plan for South Cotabato has to be approved yet, and one for Panay is on the boards. We plan to make South Cotabato a demonstration project; it will focus on fishport, airport, and storage facilities construction, and conveyor facilities improvement," Villanueva said.

Improvement in Capacity To Absorb Foreign Loans

*HK1302101990 Manila MANILA BULLETIN
in English 11 Feb 90 p 25*

[By Ernesto Tolentino]

[Text] The government's capacity to absorb foreign loans registered a significant improvement last year as indicated by the 39 percent hike in the amount of disbursed official loans from the level recorded in 1988, boosting the Philippines' chances of convincing donors to continue supporting the Philippine Assistance Program (PAP).

Data made public by the PAP's coordinating council show that actual disbursements from foreign loans last year aggregated \$1.314 billion, sharply higher than the preceding year's \$948 million level of disbursements.

This level of actual disbursements was only one percent shy of the government's target of \$1.328 billion in actual disbursements for 1989.

This was traced to the "over-performance" in program loans by 38 percent, hence offsetting the 28-percent shortfall in project loans.

Officials involved in the implementation of the PAP said the substantial improvement in the absorptive capacity of various agencies implementing foreign assisted projects "would be a great help in the country's efforts to drum up more and continuing support for the PAP."

They said this would correct the prevailing "mis-impression among donors on the capacity of the Philippines to absorb foreign assistance." Earlier reports had it that supporters of the PAP were disappointed on the slow implementation of foreign-assisted projects.

The Philippines, which last year managed to generate a total of \$3.5 billion in "pledges" from donors in the first pledging session for the PAP in Tokyo, hopes to obtain the same amount of support in this year's scheduled pledging session, also, in Tokyo.

Of the total actual disbursements for 1989, 91 percent or \$1.198 billion represented official credits extended to the public sector. In 1988, said credits to the government amounted to only \$904 million.

The council, headed by Chairman Roberto T. Villanueva, also reported that program loan disbursements last year were 13 percent higher than the \$658 million disbursements in 1988. The same trend was reflected in the disbursements of project loans, which posted an annual increase of 85 percent at \$454 million.

About 53 percent or \$638 million of the estimated \$1.198 billion loan disbursements to the public sector last year came from multilateral institutions. The balance of 47 percent or \$560 million were credits obtained from bilateral sources.

The disbursements from multilateral loans swung up by 62 percent from \$393 million in 1988. The annual hike in the disbursements of bilateral credits however posted a nominal annual growth of only nine percent from the previous year's disbursements level of \$511 million.

Aquino Statement Urges End to Coup Rumors

*HK1502090990 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 15 Feb 90*

[President Corazon Aquino's press statement as read by Press Secretary Tomas Gomez—in English]

[Text] As I said let us stop all this talk about another coup attempt. Our people have time and again showed their support for our Constitutional democracy. With that no power grab can ever succeed.

Again, let us Filipinos focus on how we can alleviate our people's poverty, develop our country, pursue the reform mandated by the Constitution. There is no need to go abroad for calls to reform.

I have said enough for now regarding the future of the bases. It is time to focus on other problems and let these matters be taken up in the exploratory talks.

Aquino Issues Statement on Topical Issues

*HK1602092790 Manila Radio Veritas in Tagalog
0900 GMT 16 Feb 90*

["Press statement" by President Corazon C. Aquino read by Press Secretary Tomas Gomez III at Malacanang Palace—in English; recorded]

[Text] There was an attempt to explode a device at the Makati Stock Exchange building but this was discovered in time and taken out by bomb disposal experts to be exploded harmlessly elsewhere.

Secretary Macaraig, Secretary Jayme, and Secretary de Jesus have conferred with representatives of the Senate and the House. I am hopeful that the proper solutions can be mutually agreed upon regarding the definition of the responsibilities of these presidential assistants with cabinet rank who do not have executive departments. As a result of the meeting, we are studying the rewording of the executive issuance to further clarify the nature of these positions.

U.S. Defense Secretary Richard Cheney is arriving as an official guest of our country, and as such, is entitled to all the honors and courtesies accorded a person of his rank. I have directed all concerned to see to it that the proper protocol is carried out.

Heavy Security Measures Set for Graduation

*HK1602040390 Manila THE MANILA CHRONICLE
in English 16 Feb 90 pp 1, 8*

[Excerpts] Coup and assassination rumors swept Baguio City yesterday, prompting military authorities to institute heavy security measures for the Philippine Military Academy [PMA] graduation on Sunday. President Aquino is the main guest during the ceremony.

Checkpoints have been set up in all the five main roads leading to Baguio. Passengers are being scrutinized and vehicles searched for firearms and communication equipment. Philippine Constabulary [PC] special action forces from Camp Crame were asked to reinforce all local police checkpoints and substations.

Armored vehicles and personnel carriers with mounted 50 caliber machine guns have been stationed at Navy Base, Camp Henry Allen, Mansion House, Camp Dangwa and Fort del Pilar.

All policemen were ordered by PC chief Maj. Gen. Ramon Montano to wear only khaki uniforms and follow the prescribed haircut so that only soldiers would wear combat fatigues.

All leaves and days off have been indefinitely suspended with the raising of the red alert and the daily roll call

strictly enforced. Field commanders were likewise asked to monitor and submit roll calls.

A total firearms ban has been enforced in Fort del Pilar. The guns of visiting PMA alumni, officers and visitors have to be deposited at the PMA gate. Vehicles, including those of the military, have to pass newly constructed inspection alleys equipped with special detecting machines.

Combined police-military patrols are conducting frisking operations and verifying mission orders and memorandum receipts of firearms and vehicles of military personnel throughout the city.

The rumors have sparked an abnormal rate of bank withdrawals and brisker sales of milk and medicine. [passage omitted]

In Camp Aguinaldo, AFP [Armed Forces of the Philippines] Chief of Staff Gen. Renato de Villa belittled the firepower capability of the military rebels. In a press briefing, he said, "Frankly, our intelligence reports indicate that they don't have such sophisticated weapons as missiles and rockets."

Military Adviser Dismisses Coup Rumors

*HK1602092590 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 16 Feb 90*

[By Vic Pambuan]

[Text] Presidential adviser on military affairs and NICA [National Intelligence Coordinating Agency] chief Mariano Adalem today dismissed reports of another attack by rebel soldiers when President Corazon Aquino goes to Baguio City for the Philippine Military Academy [PMA] commencement rites.

When asked about security measures taken by the military authorities, Adalem said that the Armed Forces of the Philippines units around the country are prepared to deal with any violent attempts to seize power. He also gave firm assurance of the president's safety when she goes to Baguio City this weekend, adding that the cadets are all disciplined and staunch defenders of the Constitution. All government and Armed Forces officials, including the president, are in very good hands.

[Begin recording in English—in progress] [Adalem] ...would say that with all the reports that have been acted upon already, that they will still be capable of doing that? They are not anymore. I would say that these are all wrong information or just misinformation or plants that are being floated so that the Armed Forces, you know...knowing that they will not take chances, will do something to pre-empt or prevent such occurrences.

[Reporter] What about reported troop movements? Does that have no basis at all?

[Adalem] We have to verify reports of troop movements. I do not believe that. Many times they would report

troop movements, only to be verified later that they are in fact legitimate troop movements. Maybe what they are reporting now are troop movements to reinforce the forces around the Philippine Military Academy. For security, not from the rebels. [end recording]

It will be recalled that the grandstand inside the Philippine Military Academy was bombed by enemies of the government a few years ago. However, the incident did not deter the president from going ahead with her visit to the PMA to deliver a speech to its graduates.

De Villa Says Antirebel Drive Sustains Momentum

HK1602042990 Manila THE MANILA CHRONICLE in English 16 Feb 90 p 7

[By Manny Mogato]

[Text] Armed Forces chief of Staff Gen. Renato S. de Villa yesterday said the military's anti-communist drive would not be seriously affected despite substantial cuts in the American military assistance to the country.

Although De Villa admitted that the \$60 million cut in the U.S. military assistance for 1990 would dislocate the military's modernization program, the military has already achieved an "irreversible" strategic offensive stage against the communist rebels.

"The communist insurgency is definitely on a downward trend," de Villa told a press briefing at Camp Aguinaldo.

He also presented statistics showing the decline in the communist rebels' manpower, firepower capability and influence over remote villages in the countryside.

Military statistics showed that the communist rebels' strength has gone down from 23,060 regulars to 18,640 regulars at the end of 1989.

The biggest setback was in Luzon where the rebels had a 35% decline in manpower and the Visayas which went down by 10%.

In Mindanao, the rebels' manpower grew by about 9%.

The 19% overall decline in the rebels' manpower was way above the military's target of 10% reduction by the end of December 1989.

In terms of firepower capability, the rebels now have only 12,060 firearms compared to 12,260 guns in 1988 for a 1.6% decrease.

About 19% was also sliced in the total number of villages under rebel control and influence. The rebels influenced a total of 7,852 villages in 1988, but this went down to 6,384 barangay last year.

A 12% decline in the military's casualty and a 58% increase in the number of rebels "neutralized" have also contributed to the overall decline of the communist insurgency.

A total of 64 ranking communist leaders were also captured last year compared to 41 the previous year. Some 4,200 communist guerrillas have also surrendered, been captured or killed in 1989.

The figures indicate clearly the defeat of the communist insurgency, De Villa said, adding that the military was able to sustain its momentum despite reduction in the U.S. assistance and the persistent attempts of military rebels to grab power.

Disbandment of Scout Ranger Regiment Denied

HK1602043590 Manila PHILIPPINE DAILY GLOBE in English 16 Feb 90 pp 1, 8

[By correspondent Noemi Alcalá]

[Text] The First Scout Ranger Regiment has not been disbanded. It is only "unfilled" since its members have been scattered to various infantry battalions all over the country.

Gen. Renato de Villa, AFP [Armed Forces of the Philippines] chief of staff, gave this explanation yesterday to clarify an earlier report that the Army's elite corps had been disbanded.

De Villa told a press conference that the elite force was only "temporarily taken out" by the Army chief, Maj. Gen. Manuel Cacanando, after some 600 of its 3,000 members joined the December coup attempt. The Scout Rangers occupied the financial district of Makati from December 2 to 7.

De Villa's statement came exactly one week after Cacanando announced that the AFP chief of staff had approved his proposal to disband the Scout Rangers unit.

Cacanando said on February 8 that De Villa had approved the proposal he made on December 12 so that the Scout Rangers would not be "used again by forces out to topple the Aquino administration." The Army chief announced the disbandment after he led some 1,000 Army officers and men in an oath-taking affirming their loyalty to the Constitution in ceremonies held at the Army headquarters in Fort Bonifacio.

Cacanando said De Villa approved his proposal early this month although he started scattering about 2,000 Scout Rangers to various units in mid-January.

Cacanando also said that another group like the Scout Rangers Regiment, which was organized in the late 1950s, could be formed later.

Yesterday, De Villa said that what he had approved was the "unfilling" of the regiment.

De Villa also brushed aside warnings that the "unfilling" of the regiment would weaken the military's counterinsurgency campaign.

"The capability of the Rangers can be duplicated by other units," he said, referring to the kind of training the regular forces of the AFP are getting.

He added that all AFP infantry battalions have Scout Ranger orientations and that the AFP still benefits from the capability of the Rangers through the redeployed members of the regiment.

Also yesterday, De Villa disclosed a plot by the Communist party of the Philippines and rightist forces to disrupt the EDSA [Epifanio De Los Santos Avenue] Revolt anniversary on February 25.

An intelligence report on the plot had prompted the AFP to place all military units in the country on red alert.

De Villa bared the new plot while President Aquino expressed exasperation over persistent talk of attempts to topple her administration.

The AFP chief of staff gave assurances that all precautions have been put in place to thwart any destabilization attempt against the government.

Probe of NPA-Rebel Soldiers 'Alliance' Ordered

HK1502134590 Manila Radio Veritas in Tagalog
1300 GMT 15 Feb 90

[Text] Armed Forces of the Philippines Chief of Staff General Renato de Villa has ordered an investigation into reports of an alliance between the rebel soldiers and New People's Army rebels. However, he also denied reports that rebel soldiers have received more powerful weapons. De Villa belittled their capability to launch a coup now.

Editorial Against Legalizing Communist Party

HK1502033190 Manila MANILA BULLETIN
in English 15 Feb 90 p 6

[Editorial: "Why Hurry?"]

[Text] High officials are vying with one another in advocating the early legalization of the Communist Party of the Philippines. This is an intriguing and at once disturbing phenomenon, considering that the Communist Party of the Philippines, the New People's Army, and the National Liberation Front are engaged in a "total attack" on the established order and duly constituted authority.

While the communist insurgency is at its height, periodic advocacy of legalization in high places has the practical effect of giving aid and comfort to the enemy. Communist propaganda draws inestimable sustenance from such pronouncements.

It is hoped by the advocates that, once legalized, the communist rebels would lay down their arms, and the party as a whole would come into the fold of the law. History gives the lie to sanguine expectations such as this. A legalized communist organization is, by its very

nature, committed to a political, social and economic system diametrically and irreconcilably opposed to the democratic system and free enterprise.

The Communist Party of the Philippines and its military and political arms would not defang themselves by changing their ways and renouncing their commitment to the Communist Manifesto. Their tenacity of purpose is borne out by the fact that, with the Soviet Union and Eastern Europe gradually veering away from communism, they hold fast to their sworn ideology. We have to learn that a copperhead does not become a household pet overnight.

50 Killed at NPA Rebel Camp in Misamis Oriental

HK1002024390 Manila Far East Broadcasting
Company in Tagalog 2300 GMT 9 Feb 90

[Text] Forty rebels and 10 soldiers, including two members of the Citizens' Armed Forces Geographical Unit or CAFGU were killed when government troopers raided a New People's Army rebel camp in Misamis Oriental with the help of helicopter gunships and Tora Tora planes. Meanwhile, seven soldiers, three CAFGUS and an undetermined number of rebels were wounded.

The encounter is a continuation of the fierce fighting in Mount Malindong, Zamboanga which occurred from 3 to 5 February.

Clashes Reported in Surigao del Norte, Sulu

HK1602101190 Manila Radio Veritas in Tagalog
0900 GMT 16 Feb 90

[By Rey Rodriguez from Camp Aguinaldo]

[Text] Some 100 New People's Army terrorists launched simultaneous attacks against a Constabulary station and a police station in Surigao del Norte two days ago. This was contained in a report released by the Armed Forces of the Philippines at Camp Aguinaldo this morning.

Attacked were the headquarter of the 415th Philippine Constabulary company and the Dapa police station, both situated in the municipality of Dapa, Surigao del Norte. A member of the civilian volunteer organization known as Segundo Cagibong was wounded in the incident. Also injured were Staff Sergeant Nemeto Caraballe and Constable Second Class Jaime Portabella.

The report said the rebels later fled on board five pump boats in the direction of Surigao del Sur.

Meanwhile, in Sulu, authorities continue to probe the killing of four persons in the port of Maimbung last Sunday. The five suspected attackers who carried .50 calibre machine guns were believed to be members of the Moro National Liberation Front headed by Commander Hamada Albabong. The incident is also believed to be connected with the coming elections in the province.

Drought Damage in Cotabato Said P76 Million

HK1502032990 Manila THE MANILA CHRONICLE
in English 15 Feb 90 p 1

[By staff member Carol Arguillas]

[Text] Davao City—Some P76-million worth of corn and palay to be harvested this month has been damaged by drought in South Cotabato, the country's top corn producer, the Department of Agriculture's regional office here said yesterday.

Agriculture Assistant Regional Director Dennis Araullo told the CHRONICLE his office asked the Philippine Air Force to induce rain by cloud seeding to prevent further crop damage.

Col. Leonardo Lopez, Air Force regional chief, said, however, the request has to be forwarded to Manila because the Air Force here does not have the aircraft for cloud seeding.

In Manila, the prolonged dry spell has reduced the electricity produced by the hydroelectric power plants in the Luzon grid to 43% of its normal capacity or from 1,226 megawatts (MW) to 524 MW, the Inter-Agency Committee on Water Crisis Management said yesterday.

The committee, headed by Public Works and Highways Secretary Fiorello Estuar, said that as a result the total power system's reserve capacity has dropped from the required 350 MW to 200 MW.

Estuar also said water pressure in areas serviced by the Metropolitan Water and Sewerage System (MWSS) has been reduced by 11%.

South Cotabato supplies 38% of the country's total corn produce. The damage wrought by the drought, Araullo said, could seriously affect corn supply to Manila's feedmills, where most of the produce from the province go. This could result in an increase in the price of corn, he said. Araullo said the department is considering a corn subsidy program for the farmers in the affected towns.

An estimated 266,700 cavans of corn valued at P70 million were damaged in nine of 18 towns here, Regional Director Alejandro Yadao said in his report to Agriculture Secretary Senen Bacani.

Yadao said 10,276 has or 36% of the total hectareage of corn land in the province were affected. The report added that 896 has, of rice land in five towns were also destroyed. Estimated damage of palay was 25,576 cavans valued at P6.4 million.

Thailand**Article Examines Sihanouk Proposals for Meetings**

BK1602031790 Bangkok THE NATION in English
16 Feb 90 p 6

[Article by Somphong Kittinaradon entitled: "Sihanouk Takes New Initiatives To Preempt Hun Sen Offensive"]

[Text] Described by critics as mercurial prince and by admirers as master tactician, Prince Norodom Sihanouk, the reluctant leader of the Cambodian resistance, appears ready for another round of peace offensives. On Wednesday [14 February] he offered another private meeting with Phnom Penh Premier Hun Sen and urged Thailand to host a meeting of Cambodian factions even without the Vietnamese presence.

His offensive also includes a pledge that his faction is ready to attend any larger conference, regional or international, designed to resolve the Cambodian conflict and his unconditional acceptance of meeting a Soviet or Vietnamese official regardless of his or her status.

In his own words, the prince said the proposals and the commitment to peace talks he made were designed to show to the world that his Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] factions, one of the three resistance groups loosely bound together under the banner of the Coalition Government of Democratic Kampuchea (CGDK), is dedicated to the search for peace through negotiations.

Unlike the pledges to attend the informal meeting on Cambodia to be hosted by Jakarta late this month and the second round of International Paris Conference, which would hopefully follow the Jakarta talks, his offer for a "tete-a-tete" with Hun Sen and his acceptance of "inter-Cambodian" meetings appear contradictory to his previous rejection of negotiations among the rival Cambodian parties—a format he said would divert the public from what he described as the true nature of the Cambodian conflict. Sihanouk and his resistance partners have consistently maintained that the problem was one between Cambodia and the Vietnamese.

Sihanouk shifted emphasis to diplomatic means apparently because he foresaw that Phnom Penh would seek peace talks following repeated setbacks for its troops on the battlefield against the resistance guerrillas, mainly the Khmer Rouge. Hun Sen, accordingly, hopes to use peace negotiations such as the Jakarta talks to thwart further resistance advances on the battlefield by playing up the danger of Khmer Rouge's return to power. Therefore, Hun Sen needs to show his eagerness for peace talks and that's the kind of peace offensive Sihanouk probably thinks needs to be countered by his peace offers.

His offer to meet Hun Sen again in a "friendly manner" also carries with it a specific ramification—Sihanouk would have a chance of befriending Hun Sen, who would

likely have to stay together with the other three factions in a post-settlement Cambodia. Most likely, the Khmer Rouge and the Phnom Penh faction would still be locked in bickerings even after a settlement is reached, and Sihanouk's faction would only stand to gain if the prince maintains friendly relations with both.

Apart from countering Hun Sen's peace offensive, the other offer by Sihanouk for resumption of negotiations among the Cambodian factions also affects Prime Minister Chatchai Chunhavan in a very subtle way.

Sihanouk said that he mentioned his acceptance of the "inter-Cambodian talks" during his recent meeting with the Thai premier in the context that Gen [General] Chatchai agreed to host it in Thailand. The prince qualified such a meeting with a condition that it must take place outside Cambodia and that the host must also be present "to witness" the negotiations.

Such a proposal has naturally put Chawalit [as published] in a difficult situation. Last year the Thai premier initiated a meeting among the Khmer factions to let them solve their own problems but, fearing failure, later distanced himself by asking Jakarta to host the talks after his proposal was modified to become a regional meeting with participation from Vietnam and ASEAN at the request of the prince.

Obviously, Chatchai is careful not to let his peace initiative backfire on his own domestic political position. He also fears that as host Thailand cannot deny responsibility for whatever outcome of such a meeting. Chatchai's participation in such talks, no matter how ceremonial it might be, would get him involved to a certain degree.

Chatchai is already having more than his share of domestic problems that range from the forest encroachment scandal against the Democrat Party to state enterprises' mounting opposition to the government's policy on privatization.

But if Chatchai rejected Sihanouk's offer, his repeated calls for peace talks would inevitably be questioned.

Moreover, even if Sihanouk accepted such talks—and he has the right to accept it after his resignation from resistance coalition posts last month, the proposed meeting would not materialize unless the Khmer Rouge agreed to it. Judging by the rigid stand taken by the Khmer Rouge against accepting any implication that the Cambodian conflict was not only an internal problem, it would not come as a surprise if they reject it. And if Thailand was to accept hosting such a meeting, it would be Thailand's responsibility to persuade the Khmer Rouge to participate in it.

Sihanouk is believed to be unhappy with Chatchai's Cambodian initiative beginning with Hun Sen's unprecedented visit to Thailand—a move seen by the resistance

and the prince as unnecessarily boosting the recognition for and the position of the Phnom Penh government vis-a-vis the resistance.

Recalling Chatchai's call for the resistance to slow down military operations to avoid damaging the atmosphere for the ongoing peace process, Sihanouk said he told the premier that suspension of arms supplies to all the warring factions would be impractical under the present circumstance.

He said the resistance would stand to lose because the pledge by the Soviet Union and Vietnam to discontinue the supply to Phnom Penh cannot be effectively verified while Thailand is more serious in halting the arms flow through its territory. That, he said, would tip the balance in favour of the Phnom Penh government, which is losing ground in the battlefields.

Deliberate or not, Sihanouk's peace offensive helps distinguish Sihanouk's faction from the Khmer Rouge. Sihanouk admitted that he has come under growing pressure from the United States and the West to sever ties with the Khmer Rouge.

The accusations that he was an "accomplice" of the Khmer Rouge, according to the prince, prompted him to relinquish all the posts in the resistance coalition, maintaining only the titular post of Cambodian head of state. His coalition government is recognized by the United Nations.

But the accusations continued despite the prince's argument that his Sihanoukist force and the Khmer Rouge are only "neighbours", that their respective liberated zones were just next to each other and that their physical proximity did not mean their "mixing" or "collusion".

The need for the prince to distinguish his group from the Khmer Rouge is expected to become more pressing in the months ahead when the resistance forces, mainly the Khmer Rouge, score more military gains in the battlefields. And the prince may have to relieve the pressure by resorting more to diplomatic flexibility as against the Khmer Rouge's rigid diplomatic exercise.

As the prince put it, the Khmer Rouge appear to be wary of attending peace talks because the faction is afraid that what it gained in the battlefields would be lost at the negotiating table. The Khmer Rouge's strength lies with its battle-hardened forces and its weakness rests with its bad reputation in the international community.

By logical extension, the prince's peace move also reflects the need for his Funcinpec move [as published] to make the full use of diplomacy as another tool in the power play among the four rival factions. Certainly, ANS' [National Sihanoukist Army] strength cannot be compared to the Khmer Rouge or the Phnom Penh force.

All his peace offers are also seen as a move to keep open the possibility of a negotiated breakthrough in the near future. However, it is clear from his own assessment of

the forthcoming Jakarta peace talks that he does not anticipate a major success from the Jakarta meeting.

Sihanouk is aware that Hun Sen is not ready to concede to the resistance's main demand for simultaneous dismantling of the two regimes' structure while the resistance will not accept a variation of the Australian peace plan under which the two regimes will continue to exist and active in their respective territory under an umbrella UN administration at the top.

Both sides are haggling for the best terms for a UN-organized general election. The resistance has accused the Phnom Penh's government of plans to abuse its administrative structure from the national level to the local level to influence the results of the election. The Phnom Penh government, meanwhile, will not give up what they are having now unless there is no other choice.

In this context, the prince admitted that despite his hope for a quick peace settlement, he is afraid that it would take at least several more months before a political breakthrough can be achieved. Like it or not, such a political breakthrough may have to follow a military one. And if Battambang and Seam Reap fall to the resistance this year, as the prince has predicted, then it would be a turning point in the Cambodian drama.

Chatchai To Host Sihanouk-Hun Sen Meeting

BK1602023390 Bangkok *THE NATION* in English
16 Feb 90 p 1

[By Atthawibun Sisuworanan and Yindi Loetcharoenchok]

[Text] Prime Minister Chatchai Chunhawan has agreed to host a meeting between Prince Norodom Sihanouk and Phnom Penh Prime Minister Hun Sen in Bangkok as requested by the Cambodian prince, advisers to the premier said yesterday.

Kraisak Chunhawan, Chatchai's son, said after a brief discussion at Government House that the premier had instructed the Foreign Ministry to look into what Sihanouk would like Thailand do to help organize and facilitate the meeting.

Sihanouk met with Hun Sen in France and Indonesia but the meetings failed to produce results because of the tough stance both leaders took on a settlement of the Cambodian conflict.

Sihanouk's office in Bangkok said earlier that the prince was prepared to hold talks in Thailand with the Phnom Penh leader to speed up the peace process.

Sihanouk, however, said he would only go ahead with the meeting if it was informal and if Chatchai agreed to host it.

M.R. Thep Thewakun, deputy permanent-secretary of the Foreign Ministry, will probably inform Chatchai on the details of Sihanouk's proposal today, Kraisak said.

"The premier is ready to invite Hun Sen to meet Prince Sihanouk at his Ratchakhru house," Kraisak said, "but the prince will have to decide on the date and agenda of the talks."

Phansak Winyarat, chairman of the premier's advisory team, said a prominent US senator would fly to Phnom Penh this weekend to meet with Prime Minister Hun Sen.

Charles Robb, a senior senator from Virginia, is scheduled to arrive at the Cambodian capital by a US Air Force plane on Sunday [18 February].

Phansak, who declined to comment on the nature of the US visit, said the Thai government had been requested by the US Embassy in Bangkok to officially inform Phnom Penh of the visit.

—Sources at the ASEAN ministerial meeting now underway in Kuching, Malaysia, told *THE NATION* yesterday that ASEAN foreign ministers had agreed that the organization would not introduce its own peace proposal for Cambodia and that the Cambodian factions should choose their own solution.

"ASEAN will endorse any settlement approved by all the Cambodian factions," said the sources.

The foreign ministers yesterday discussed a number of peace proposals, particularly the Australian plan, which calls for interim UN administration of Cambodia before general elections.

Reactions to Closing of NAEO NA Newspaper

Prime Minister Comments

BK1602024390 Bangkok *THE NATION* in English
16 Feb 90 p 3

[Excerpts] Prime Minister Chatchai Chunhawan, while maintaining that his government is for press freedom, said yesterday his government would only invoke the repressive Decree No. 42 against newspaper that "violates the law."

He accused NAEO NA, a Thai-language daily which was closed indefinitely on Wednesday [14 February] of damaging the relations between Thailand and Saudi Arabia with its sensational headline concerning the recent murder of three Saudi embassy officials.

"Don't you think it was against the law to do that?" he shot back when a reporter asked him for comments on the closure of the paper.

Describing himself as a democratic-minded person, Chatchai said he had avoided taking legal action against the press out of respect for democracy and press freedom. [passage omitted]

The prime minister said he is an advocate of press freedom to the point that he co-sponsored a move by a group of legislators to abrogate Decree No. 42. The

decree was introduced after the coup in 1976 to clamp down on the flourishing press.

Asked by reporters whether his government intends to invoke the decree against any other newspapers in the future, Chatchai said it would do so against any newspaper that "violates the law."

The decree gives broad powers to the press officer in dealing with the press which has tried unsuccessfully since 1976 to have it abrogated.

Chatchai said NAEO NA's reporting was "unfair" to the almost 200,000 Thai workers in Saudi Arabia because it could incite bad feelings against them among the Saudis.

Informed sources said Chatchai endorsed the order to close NAEO NA after being informed by Deputy Foreign Minister Praphat Limpaphan that Saudi authorities were very displeased by the paper's reporting of the case. [passage omitted]

Editorial Presents Views

BK1602042590 Bangkok BANGKOK POST in English
16 Feb 90 p 4

[Editorial entitled: "A Relic of a Dark Age Resurfaces"]

[Text] The Bangkok Press officer's harsh decision to revoke the licences of the editor and owner of the Thai-language NAEO NA newspaper on Wednesday [14 February] has, once again, brought into focus the controversial National Administrative Reform Council Decree No 42.

This draconian law was imposed by the military dictatorship which took power after the overthrow of a legitimate government led by then prime minister M.R. Seni Pramot in October 1976. It was supposed to serve the twin objectives of safeguarding national and public interests against what was regarded as a bad or irresponsible Press.

But in reality, because of the wide-ranging powers given to the Press officer without his having to go through the normal judicial process, thereby allowing him to act on any pretext deemed detrimental to public order or good morals, the law as seen by journalists and the democratic-minded public as an attempt by the dictatorial regime of the time to restrict overall freedom of expression.

During the height of the communist witch-hunting era under the civilian dictatorship of the Thanin Kraiwichian regime, Decree No 42 was strictly enforced to the extent that freedom of expression was at its nadir while many newspapers then were reduced, more out of necessity than their own free will, to become mere mouthpieces of the government.

It was fortunate that those dark days did not last too long as the Tanin regime was toppled after just one year in office. But some of its unholy legacies—Decree No 42 in particular—have, unfortunately, lasted until this day.

Like any profession that comprises both responsible and irresponsible elements, the journalistic trade is no exception. Take the case of NAEO NA. The newspaper partly has itself to blame for what came across as an outrageously sensational headline on the recent killings of the Saudi Arabian Embassy diplomats.

At a time when the Government was under heavy pressure from Riyadh—and because of the fact that the fate of more than 150,000 Thai workers in Saudi Arabia could be jeopardised—it was perhaps understandable that the authorities had to resort to some tough action against the newspaper, at least as one measure to help ease the tension between Riyadh and Bangkok.

But as a matter of principle Decree No 42 which empowers the Press officer to revoke the licences of the editor, publisher and/or the owner of the newspaper is by all accounts undemocratic. Under this "elected" administration of Prime Minister Chatchai Chunhawan, the very existence of this decree represents a dark stain for it goes against the current democratisation process of this country.

Besides, as this country stands a good possibility of becoming the main regional publishing centre, it is imperative that a truly democratic atmosphere be created. And one way to achieve that goal is to rid the country of such draconian laws as represented by Decree No 42. After all, the abrogation of this revolutionary order will not deprive authorities concerned with a legal means of dealing with an irresponsible Press and journalists. The Printing Act and the Criminal Code are still in full force and can be invoked against any offenders.

If the government authorities believe they have sufficient grounds to act against NAEO NA, they could have filed charges in court and, if they were upheld, let the justice machinery mete out the proper penalties. In this context, the Government should consider a speedy return of the various licences to the newspaper so that it can resume publication.

Amendments can always be made to various existing laws that directly or indirectly regulate the Press if they are deemed inadequate in safeguarding national or public interests. While a criminal suspect is entitled to a fair trial by a court of law and is regarded as innocent until judged guilty, the Press has been deprived of such a right because of Decree No 42. A fair trial in court is what the Press is asking for.

Paper Explains General Chawalit's Options

BK1602034190 Bangkok THE NATION in English
16 Feb 90 p 8

[Article by THE NATION Political Desk entitled: "Chawalit Keeps Everyone Guessing"]

[Text] Widely believed to be Premier Chatchai Chunhawan's potential successor for the premiership, army chief Gen [General] Chawalit Yongchaiyut is apparently

facing an uncertain political future. While Chatchai's position is undoubtedly more shaky than ever, Gen Chawalit's political future isn't all that certain either.

Aides said that Gen Chawalit has definitely decided to resign later this year, probably in April or October at the latest. But what if Chatchai, as defence minister, refuses to approve Gen Chawalit's resignation and manages to hold off, at least until next year?

The army commander-in-chief is unsure about joining an existing political party and may fall into oblivion the way his predecessors, like Gen Athit Kamlang-ek, experienced following retirement. This assumes Chatchai manages to hold on long enough.

"It's the army chief's last train and he can't afford to miss it this year," said a well-informed political analyst.

Gen Chawalit's aides quoted him as saying he was concerned that Gen Chatchai may reject his resignation. He is worried his credibility may be undermined if he failed to keep his promise to step down this year. Some army officers are awaiting promotions this year when the army chief lets go of his post.

Chatchai's prime concern is how to get Gen Chawalit to enter his coalition government as part of the Chat Thai Party. He could always exercise his authority as defence minister to reject his resignation. The only exception to this is if the officer resigns to stand in an election or enter monkhood.

However, the premier has made it clear he will not dissolve the House to call a general election. His aides said his decision on a House dissolution should not be taken lightly as, most likely, the premier could avoid dissolving Parliament, at least until it reconvenes in May.

In his attempt to retain the status quo while pressuring Chawalit to enter the coalition government, Chatchai has reportedly kept alive the hopes of Puangchon Chao Thai Party leader Gen Athit and Prachakon Thai Party leader Samak Suntharawet that they could be brought into the coalition government. The aim is to deter the two smaller opposition parties from joining the major opposition Solidarity Party in the latter's relentless political campaign to discredit the government and drive a wedge between the Democrat Party and the other coalition partners.

Athit is said to be nursing hopes of being defence minister while Samak is reportedly eager to join the coalition government, replacing the Democrat Party, to boost the declining position of his party as well as his personal stature.

However, Chatchai also offered support to embattled Democrat Agriculture Minister Maj Gen [Major General] Sanan Kachonprasat last Tuesday [13 February] and his Democrat Party, now hard hit by their worst scandal over Sanan's connections with alleged forest encroachments by Suan Kittu Reforestation Co Ltd.

Chawalit is reluctant to join Chat Thai, according to his aides, as he does not want to make things worse between Chatchai and his elder brother-in-law Pol [Police] Gen Praman Adireksan, who is known to oppose Chawalit's entry into Chat Thai. Praman is presently licking his wounds after his transfer from the Interior Ministry to the Industry Ministry.

Chawalit last month rejected Chatchai's offer to join his Chat Thai Party and the Cabinet as interior minister shortly before the premier swapped Praman's post with that of Chat Thai secretary general Banhan Sinlapa-acha.

One source said that a PM's [Prime Minister's] Office minister close to Chatchai tried to persuade Chawalit to "work together for the country" at a gathering of 28 full generals at Central Plaza Hotel on Jan 6. But he was unaware that the gathering was organized by some of the generals to express their opposition to Chawalit's acceptance of the interior portfolio.

"The generals convinced Gen Chawalit to turn down the offer, claiming he would only be tainted by the series of scandals which have hit the government" the source recalled.

The following day, an army officer conveyed Chawalit's decision to say "No" to Chatchai and the minister, politely claiming that he did not want to further strain relations between Chatchai and Praman. Chatchai responded by putting Banhan at the Interior Ministry.

The possibility of Chawalit entering the Social Action Party [SAP] has also been dismissed. Although SAP leader ACM [Air Chief Marshal] Sitthi Sawetsila and another top party leader wanted to bring Chawalit into the party, the idea was turned down during a subsequent meeting of the SAP executive committee last month.

Gen Chawalit will not enter the Solidarity Party either, according to one aide who said the army chief was aware how difficult it was to stay on top of different factions within the party.

"The army chief has predicted that in the future, conflicts within the Solidarity Party will escalate and therefore, he has decided to only form an alliance with the opposition party," the aide said.

An aide has recommended Chawalit enter the Ratsadon Party, which has not yet been tainted by any scandals. Ratsadon Party leader Gen Thianchai Sirisamphan, according to the aide, has given the go-ahead for Chawalit to join but political observers doubted the army chief would take up the offer. Apparently, he lacks assurance that he would be able to command the support of the party's MPs [members of Parliament].

Chawalit has another choice: He could form a new political party.

But critics believe this would not be easy. Former premier Gen Kriangsak's defunct National Democracy Party and Gen Athit's small Puangchon Chao Thai are

good examples of this. If his party became a success, the army chief would set a precedent as the first military officer to make it in national politics with his own party.

For the moment, Gen Chawalit's main concern appears to be his continued stay in the armed forces. Apart from the reasons mentioned above, Chawalit is aware that as a permanent army officer, he should not be seen as engineering any campaigns to undermine the government. This was probably behind his recent statement about the military supporting the government and his dismissal of allegations that he was behind the dock workers' strike.

He would not have been in such an awkward position if he was not in the military service.

Unfortunately, such accusations will not stop as the government still faces many difficult problems, including the threat of state enterprise labour unions staging protests against the government's privatisation policy for state enterprises.

On the port strike, Chawalit told his aides he had not intervened for political reasons.

"What do you expect me to do when the prime minister gave me the order in writing? Damned if I did and damned if I didn't," he was quoted as saying.

Political analysts see three options for Chawalit.

The first is for him to agree to enter the Chatchai coalition government, taking up a Cabinet portfolio, in a Cabinet reshuffle which may see Prachakon Thai replace the Democrat Party, which is seen as a political liability.

Such a reshuffle may not come to pass too soon, as the government could be seen as conceding to Solidarity Party pressure right after its antigovernment rally yesterday. But if that course were to be taken, it must be implemented before Parliament reconvenes in May to brace the government for a possible political crisis that may force Chatchai to step down or dissolve the House.

Already, some of Chatchai's aides have asked how to get the Democrat Party out of the coalition government.

Chatchai, his aides said, is not in a position to tell the Democrats to leave the coalition.

The second scenario is for Chawalit to make a final rejection of the premier's offer, hoping the premier will be forced to replace the Democrat Party with Prachakon Thai which could eventually lead to the coalition's downfall during Parliament session.

The last is for Gen Chatchai to replace Chawalit with another top-ranking military officer (Gen X) who has pledged loyalty to him. Just last month, this seemed possible with reports that the military officer (Gen X) had told Chatchai that if he was made army commander-in-chief, he would appoint Maj Gen Manun Ruphachon, then a colonel and one of Chatchai's trusted officers, to

the top of the Second Cavalry Division. Before that, Manun had to be promoted to the rank of major general, which has already occurred.

By the military officer's (Gen X's) arrangement, Chatchai and Manun, both dressed in full cavalry uniform, made a surprise appearance at the Sara Buri-based Second Cavalry Division on Jan 4.

The reports angered the major army groups, who oppose the cashiered coup leader's promotion and return to a combat force. The antagonism of the move has engendered has not yet cooled down.

Chawalit apparently wants to avoid a showdown. This was probably why he tried to ease tensions by announcing that the military still supported the government. In this light, some claimed that Gen Chawalit was still talking to Chatchai about his entry into the coalition Cabinet.

Political analysts, however, said it was difficult to say what course Chawalit will take.

"He is playing his cards close to his chest in the present complicated political situation. But there is one thing for sure, the show has just started and it must go on," said one analyst who asked not to be named.

Government Offers Workers Shared Management

BK1602031990 Bangkok BANGKOK POST in English
16 Feb 90 pp 1, 3

[By Phaisan Sicharatchanya]

[Text] Amid mounting labour union opposition to its state enterprise privatisation programme, the Government of Prime Minister Chatchai Chunnawan is introducing an ambitious new scheme to build harmony with state workers by offering them joint equity and management participation in new public-utility projects.

Under this latest government policy, the existing assets and operations of all key state enterprises will remain intact. Instead, publicly-incorporated corporations will be set up—comprising shareholdings by the Government and both union and non-union employees of the respective state enterprises—to manage only the new projects.

To ensure maximum efficiency and productivity, the new management setup will follow private business practice. Although there may be modifications to the shareholding structures to correspond with various enterprises' individual characteristics, the official policy is to keep the Government's shareholding level below 50 percent.

Disclosing details of the new policy in an interview with the BANGKOK POST yesterday, chairman of the prime minister's policy advisory group Phansak Winyarat said that it is chiefly aimed at protecting the interests and improving the livelihood of state enterprise workers.

Mr Phansak described the new scheme as a revolutionary move—"a modernisation process in the country's capital management." He said it is fully supported by the prime minister.

Offering workers the rights to shareholdings and management indeed represents a bold innovation in Thailand's history of state enterprises, which came into being after World War II. To date, all the workers are employees who play no part in management decisions.

"Up to now we have stuck to only one model—that is, to privatise or not to privatise," Mr Phansak said. "There have never been any details on such aspects as how to protect the interests of the workers, how to boost efficiency or how to control foreign influence."

The new scheme will also terminate any further government subsidisation of what may prove to be money-losing state operations. "By ensuring that the government shareholding is, say, 49 percent, there is no longer any linkage with the state budget," Mr Phansak added.

If and when implemented, this would vastly relieve the Government's financial burden since the elements of foreign borrowings to fund major enterprises' new projects are counted within the official US\$1.2 billion annual foreign debt formulation ceiling.

Mr Phansak said local commercial banks would be encouraged to syndicate loans for the state workers to buy their shares of the equity, particularly those in the lower ranks who may not be able to afford it. The shares could then be used as collateral with the banks.

He added it would be up to the joint-venture corporations to decide how best to manage their new projects. "They could either operate new projects by themselves or farm out to sub-contractors through their holding companies (if they do not possess sufficient expertise or technology)."

This latest policy follows from an earlier initiative floated by Transport and Communications Minister Montri Phongphanit at the height of the recent strike by port workers over the privatisation of the new Laem Chabang port.

Though the proposal was glossed over at the time, Mr Montri suggested a similar set-up whereby the Port Authority of Thailand (PAT) labour unions, non-union workers and administrators hold 51 percent against a 49 percent government stake in a new company to manage Laem Chabang.

Mr Phansak said the same approach has now been endorsed as a government scheme that will be applicable to new projects to be undertaken by all state enterprises.

Asked whether the new scheme is aimed at neutralising the mounting labour-union protests against the Government's privatisation programme, the premier's chief policy adviser responded: "No, we don't look upon the labour unions as a negative factor. We look at them as an

entity that could be (rallied) to negotiate with the Government for the modification of their livelihood."

Because the scheme is new and its details have yet to be thoroughly discussed with the various state-enterprise unions, their initial reaction appears to be one of caution.

Contacted by the POST, the chairman of a special task force coordinating the activities of PAT's six unions, Mr Somchai Maksamphan, said he could not make any specific comments pending a thorough study of all the details and consultations with other labour leaders.

"Any formula which will improve efficiency and productivity and best serve the public interest will be acceptable to us," Mr Somchai said.

Other labour sources voiced concern that the new scheme might not hold together because some of the state enterprise workers might sell their shares to outsiders at a profit, thus paving the way for control of the proposed new corporations by outside interest groups.

Thailand Records Surplus in Trade With USSR

*BK1602044190 Bangkok BANGKOK POST in English
16 Feb 90 p 18*

[Text] Thailand registered a trade surplus of over 4,880 million baht with the Soviet Union in the first 10 months of last year, the Business Economics Department said yesterday.

It said that during the same period, bilateral trading volume totalled 8,178.2 million baht.

It said Thailand imported 1,648.5 million baht from the Soviet Union and exported 6,529.7 million baht.

The high export volume during January-October last year was due to the ban on liquor drinking in the Soviet Union, according to the department.

The ban had forced its people to buy sugar to distill their own liquor, thus causing a shortage of sugar, it said.

The Soviet Union had not imported sugar from Thailand before.

However, after the shortage, it imported for the first time up to 4,881.2 million baht from Thailand.

The Department said that apart from sugar, the Soviet Union imported rice worth 1,554.4 million baht, up sharply from 70.7 million baht in 1988.

For Thailand, it said, most imports from the Soviet Union were gems and jewellery, precious stones, silver bars and gold, iron and steel, fertiliser, medicines and pesticides, industrial machinery and paper.

Article Views 'Inertia' in Cambodia Policy

BK1402024190 Bangkok THE NATION in English
14 Feb 90 p 13

[Article by Kawi Chongkitthawon: "Inertia on Cambodia Will Backfire"]

[Text] In recent weeks several Western countries have sent officials on fact-finding visits to Phnom Penh while Thailand, as a front-line state, sits on its hands.

Thailand's lack of a more energetic policy on Cambodia at this crucial time, when international efforts to end the Cambodian conflict have increased, reveals the disorder in the Thai foreign policy-making process and the myopic views of key Foreign Ministry officials, senior Army officers dealing with Cambodia, and the prime minister's policy advisers at Ban Phitsanulok.

At present, the Foreign Ministry is virtually ignoring the 11-year-old Cambodian conflict as Foreign Ministry officials seem to want the prime minister's policy advisers to take up the leading role in this area.

The advisory group on its own does not have the means to carry out its policy initiatives despite repeated public assurances from senior ministry officials about good coordination and cooperation with the advisers. So far the two sides have yet to carry out any significant joint effort on Cambodia.

Yet it is the Foreign Ministry, not the prime minister's advisers, that have to deal directly with the Cambodian conflict in the context of ASEAN. In fact senior Foreign Ministry officials are meeting with their ASEAN counterparts on Cambodia right now in Kuching, Malaysia. They are preparing for the upcoming informal peace talks in Indonesia at the end of this month.

Recent developments along the Thai-Cambodian border show something of the Thai military's attitude on the Cambodian conflict and to the resistance forces, especially the Khmer Rouge. Thai military units, particularly those in Trat and Chanthaburi provinces, are loosely coordinated and do not follow any clear policy. Though military leaders often claim in Bangkok that no assistance in any form has been given to the Khmer Rouge, Thai military border units in Trat and Chanthaburi are openly known to have close ties with the Khmer Rouge.

Without the acquiescence of Thai military units, the Khmer Rouge could not have moved displaced Cambodians under their control from the Thai side of the border to Cambodian territory they have captured from the Phnom Penh forces. The Khmer Rouge want to keep the Cambodian civilians as a source of manpower and for bargaining in future negotiations. They could claim a large population of followers thereby deserving a political role in the future administration of the country.

So far the Thai military has no clear position regarding the Khmer Rouge. At times, there were indications that the Thai military wanted to end all support, overt or

covert, to the Khmer Rouge because of increased informal contacts between Thailand and the Phnom Penh government. But some Thai military leaders seem to want to maintain the status quo at the border while others want to continue the covert assistance to all the three resistance Cambodian factions, and still others are looking for a way out of the troublesome border situation.

The prime minister's policy advisers, too, must take part of the blame for the current apathy in policy towards the Thai eastern neighbour. After the failure of the Paris conference last August, Thailand, particularly the prime minister's policy advisers, tried to break the deadlock by bringing the four Cambodian parties to Bangkok to hear their views. Unfortunately nothing concrete came of these efforts.

In recent months, the previously high profile initiative by Prime Minister Gen Chatchai Chunhawan on a ceasefire in Cambodia and a step-by-step approach to peace has been unceremoniously shelved. The reason, or rather the excuse, is that the prime minister would like the United Nations to play a leading role in handling the Cambodian conflict.

The sudden departure from the advisory team of M.R. Sukhumphan Boriphat, a key foreign policy adviser, certainly has much to do with the loss of dynamism in the prime minister's Cambodian policy.

While the Chatchai administration was the first government to break the West's diplomatic boycott of the Phnom Penh government, it has yet to take any follow-up action. The Thai private sector, however, has been relatively more active in trading and doing business with Phnom Penh. But these commercial ties, forged largely on political connections, are aimed mostly at short-term gains. When the international community recognizes the Phnom Penh government, these tentative Thai-Cambodian ties may be replaced by more organized and largescale trade between Cambodia and other countries.

Thailand's relations with Cambodia have historically been influenced by domestic Thai politics. Thailand's Cambodian policy was often interrupted by domestic political conflicts.

In recent weeks, for example, domestic political turmoil, including infighting in the Chat Thai Party, the Suan Kitti scandal and the dispute over privatizing state enterprises, has taken much of the prime minister and his policy advisers' attention. Cambodia is therefore on the backburner again.

Although more and more Western governments are sending their people to Phnom Penh, the Chatchai administration is still reluctant to follow suit. This apparent reluctance is due to its sensitivity over criticism that it paid "too much" attention to Cambodia and neglected domestic problems. Concern for political survival of the Chatchai administration thus takes precedence over common sense in dealing with Phnom Penh.

The Chatchai administration has also hung back from cooperating with international humanitarian organizations in aiding Cambodians inside their country.

Moreover it has failed to exploit non-political means, which several Western governments have been using very effectively, in dealing with the Phnom Penh government. This month delegations from Australia, France, Italy, the Netherlands, Canada and Japan will visit Cambodia to make a first-hand assessment of the situation.

The situation in Cambodia is changing rapidly with the arrival of these Western officials. Thailand needs to catch up in developing "unofficial" ties with Phnom Penh. But first the Chatchai administration must decide its true position on Cambodia.

Thailand appears to be moving on a dual-track: backing the three Cambodian resistance factions and ASEAN's hard-line stance, while at the same time showing some understanding for the Phnom Penh government.

The dual-track policy may not serve Thailand's interests well in the long run. And it definitely is not in Thailand's interests to wait until the last moment to clarify its position towards its neighbour.

Sooner or later the Cambodian conflict will be resolved—possibly without Thailand's active participation—and Thailand will be left to cope with the Khmer Rouge.

This is the inevitable outcome of our present dual-track policy.

Humanitarian Aid Sought for Displaced Cambodians

*BR1002033790 Bangkok THE NATION in English
10 Feb 90 p 3*

[Text] The Thai military yesterday called on the United Nations and aid agencies to provide humanitarian assistance to displaced Cambodians who volunteer to move into areas now occupied by resistance forces inside Cambodia.

Supreme Command Spokesman Narudon Detpradiyut said yesterday the United Nations Border Relief Operation [UNBRO] and other agencies operating in camps for displaced Cambodians in Thailand should help returnees support themselves in the occupied territories in western Cambodia.

"The Cambodians decided to return on their own free will. Even Prince Norodom Sihanouk intends to go back," Lt Gen Narudon said.

Narudon said many Cambodians living in Site 2 camp, which is controlled by the Kampuchean People's National Liberation Front (KPNLF), and Site 8, administered by the Khmer Rouge, are preparing for repatriation.

At present, over 290,000 Cambodians are sheltered in resistance-administered border camps supervised by UNBRO.

Military sources have said about 4,000 Cambodians have already been moved into an area controlled by the Marxist Khmer Rouge opposite Thailand's Prachin Buri and Chanthaburi. However, not all of the returnees went back to Cambodia voluntarily, according to the sources.

National Security Council chief Suwit Sutthanukun had said earlier that Thailand would repatriate Cambodians even before a comprehensive political settlement is reached if a ceasefire was in effect.

The Cambodians' camps in Thailand should be relocated to resistance-controlled territory inside Cambodia, Suwit said.

The UN High Commissioner for Refugees branch office in Bangkok has reiterated that large-scale repatriation of Cambodians would have the support of the international community only when the repatriation is voluntary, safe and when returnees can exercise freedom of choice in resettlement.

Article Analyzes Military's Political Role

*BR1602040190 Bangkok BANGKOK POST in English
16 Feb 90 p 4*

[Article by Patricia Elliott entitled: "A Delicate Power Balance"]

[Text] Thailand's military and civilian systems have entered the 1990s in a state of temporary balance, and unless civilian institutions are strengthened the balance may tip in favour of the military.

This was the message presented by political scientist Dr Suchit Bunbongkan to members of the Foreign Correspondents Club of Thailand on Wednesday [14 February] evening.

Dr Suchit, of Chulalongkorn University's political science department, is author of "The Military in Thai Politics 1981-86." During a panel discussion on the changing role of the military in Southeast Asia, Dr Suchit focussed on this country's sometimes delicate, sometimes heavy-handed relationship between soldiers and politicians.

Dr Suchit said the past decade has been a time for the military to rethink its role in society. While they have chosen to become more involved in rural development and are concentrating on modernising their forces, other questions remain unresolved.

"They are not very clear about their political role," said Dr Suchit, adding that Army chief Gen Chawalit Yongchaiyut has promised to back up democratic development.

"But what will the military do to help this process? No one can give a clear picture, including the general himself."

Gen Chawalit has indicated that the Army won't go back to the barracks, but will stay on to monitor the government, said Dr Suchit.

The question is, what will the military do if the government proves to be corrupt or irresponsible?

People are complaining about forest encroachment and government corruption right now, Dr Suchit said, which leaves Thailand in an interesting situation.

Ten or twenty years ago there would likely be a coup, according to Dr Suchit. But today the military faces a different kind of society.

"Because of the increase in pluralism and because no single group has power, it is very difficult for the military to simply walk in and take control of the country," said Dr Suchit.

But there are other, less obviously practical factors, such as public attitudes.

"Despite the rumours of corruption, despite the weakening of the Prime Minister's position, despite the split in the Cabinet, the people are reluctant to turn to the military for solutions," he said.

"The military can't do anything at the moment because the public would like to give the civilian government a try."

Conscious that times have changed, military leaders have hesitated where before they would have acted with confidence.

"The military is still very quiet," noted Dr Suchit. "Why? They are quiet because they don't know what to do."

"But one thing that seems to be rather clear is that there is a group of people that would like very much to see Gen Chawalit as the new Prime Minister."

The way to the Prime Ministership is full of obstacles, however. It is unlikely that Gen Chawalit could successfully assume control through an existing party, said Dr Suchit, as none of the parties fit the bill.

Chat Thai is too factionalised, Ratsadon is too small, and it is unclear whether the Social Action Party will accept the general's leadership.

If the general set up his own party, he would not have the support of MPs [members of parliament] because the Constitution forbids MPs to jump parties. This second scenario would only be possible in the event of a House dissolution.

"But he (Gen Chawalit) has no authority to dissolve the House," said Dr Suchit. "That authority lies with the Prime Minister."

"I don't think the Prime Minister will dissolve the House."

Dr Suchit said he didn't expect a dissolution because Prime Minister Chatchai is not sure he can win an election.

The result said Dr Suchit, is that Gen Chawalit "has not made up his mind yet."

"This is a new kind of balance in the Thai political system."

Dr Suchit recommended that the civilian government take full advantage of the situation. "If the civilian government exploits the balance to strengthen its institutions, it will be very good for democracy," said Dr Suchit.

"But if they do not do this it will be a very sad day for democratic development in Thailand."

Answering questions from the audience, Dr Suchit discounted the possibility of a third scenario—that further labour unrest would lead to the creation of a "national reconciliation government" with Gen Chawalit as leader.

Dr Suchit maintained that a much graver crisis, such as an economic depression, would have to face the country before such a move could be carried out.

On other military matters, Dr Suchit predicted that defence budgets will continue to grow because they can be easily justified and because there is a kind of prestige-driven arms race within ASEAN now that joint defence agreements are being signed.

He said that the Armed Forces will remain fairly cohesive. As younger officers rise in the ranks and have greater contact with business interests, their idealism is tempered.

Dr Suchit said the influence of the Young Turks is diminishing, as they are not commanding troops and they haven't developed any new ideas. The professor does not attach any great significance to Maj-Gen [Major general] Manun Rupkhachon's recent appointment. He said that Maj-Gen Manun represents just one of many factions that the Prime Minister is courting.

Dr Suchit further predicted that the Navy will not fight to retain the Port Authority, but the Armed Forces will never give up Thai International.

Joining Dr Suchit in the discussion was FAR EASTERN ECONOMIC REVIEW Manila bureau chief John McBeth, who witnessed the December coup attempt in the Philippines.

Mr McBeth reported that there are some similarities between the Philippines' Reform the Army Movement (RAM) and Thailand's Young Turks.

But he said the situation in the Philippines is much more grave because "there is no backstop." Neither President Corazon Aquino nor Cardinal Jaime Sin is capable of diffusing extreme violence.

Mr McBeth described the RAM platform as "thin on substance," but it enjoys the support of the Philippines' best military divisions.

"The full cast of characters has not been revealed," said Mr McBeth.

Mr McBeth has developed a grim view of the future of the Philippines. "The people have no sense of nationhood or nation-building. They seem incapable of doing anything about their problems." But the former Bangkok-based journalist has drawn one solid conclusion: "Military officers running a modern country is a recipe for disaster."

Wa Rebels Reported To Clash With Khun Sa

BK1402012590 Bangkok BANGKOK POST in English
14 Feb 90 p 6

[Text] Chiang Mai—Wa rebels yesterday began battling drug warlord Khun Sa's forces for control of Doi Lang inside Burma, only 500 metres from the border at Mae Ai district here, Thai military sources said.

About 4,000 United Wa State Army [UWSA] troops, surrounding the hill, exchanged skirmishes and mortar fire with some 3,000 Muang Tai Army [MTA] members, a fighting arm of the drug kingpin, who have built a permanent base on the hill.

There were no immediate reports of casualties on either side.

Lt-Col [Lieutenant Colonel] Kuen Sai of the MTA said the Doi Lang base was being reinforced with more MTA guerrillas but Ching Ming of the UWSA said his rebels would "fight until the last man."

Most civilians in villages around Doi Lang have fled across the Thai-Burmese border into Mae Ai district.

Air Force Makes Decision on New Helicopters

BK0802030190 Bangkok BANGKOK POST in English
8 Feb 90 p 3

[Text] The Air Force has decided to switch its choice of royal helicopters from 14-seater Blackhawk Sikorsky to Bell 413 SPs.

Well-informed military sources said the decision was recommended by an air force committee set up to compare seven makes of helicopters to find the most suitable type to replace the ageing royal fleet.

The Air Force, during the term of then commander-in-chief Voranart Apichari, had urged the Government to buy three Blackhawks, citing its reputation of being safe and efficient.

Air Force Chief Kaset Rotchananin late last year said, however, the force had decided to review its decision because new proposals had been made.

According to the sources, the committee had decided to recommend the Air Force switch from Sikorsky to the cheaper Bells.

The committee had set safety, efficiency and manoeuvrability as criteria in making its decision.

The committee reasoned that besides being the cheapest of the seven makes, Bell 413 SPs also had the edge in convenience of acquisition.

The Bell 413 SPs were also more efficient and safer than the Bell 412s, according to the sources.

Vietnam

Controversy Focused on Party Reformer Bach

OW0902134290 Tokyo KYODO in English 1239 GMT
9 Feb 90

[Text] Hanoi, Feb. 9 KYODO—A confrontation is shaping up between the hardline Vietnamese rulers and a reformist Politburo member who has openly challenged the party monopoly of power, Eastern diplomatic sources said Friday.

The sources say the focus of the controversy is Politburo member Tran Xuan Bach, who is known as the "Boris Yeltsin" of Vietnam, a reference to the radical Soviet reformer.

Bach criticized the ruling Communist Party for "passing itself as the state" and said it is necessary to launch a democratic reform to cure "the malaise," according to an article published in the January issue of CONG SAN, the party's theoretical journal.

Bach, who reportedly made the remarks in December, also expressed doubt about the leadership role of the Communist Party as provided in the Constitution.

The sources said Bach's attack represented his personal view and does not reflect wider sentiments within the party.

Another reliable diplomatic source said Bach may be forced to make a self-criticism during an upcoming meeting of the decisionmaking Central Committee.

The sources said a Politburo meeting now under way has plunged into semi-open confrontation between Bach and the mainstream of the party leadership.

The idea of a multiparty political system is still generally opposed within the party, informed sources said.

Bach, who also serves as a member of the party Secretariat, is believed to be the most senior party official to vent dissatisfaction in public on the party leadership.

Elevated to the Politburo in 1986, Bach was regarded until last year as a potential successor to party chief Nguyen Van Linh.

As the party leader in charge of foreign affairs, Bach has traveled extensively to the Soviet Union and Eastern Europe. He is known to have extensive ties with Soviet reform leaders.

Campaign Against Reform

OW1602091990 Tokyo KYODO in English 0900 GMT
16 Feb 90

[Text] Hanoi, Feb. 16 KYODO—Leading members of the Vietnamese Communist Party are staging a campaign in Hanoi, Ho Chi Minh City and other major cities against a reformist-led call for a multiparty system, informed sources here said Friday. The campaign is directed against party Politburo member Tran Xuan Bach and other reformists as well as young people and intellectuals influenced by Bach, the sources said.

The Communist Party's official paper, NHAN DAN, reported in its Thursday edition, that views on political pluralism, multiparty system, and lesser appraisal of the Communist Party leadership were the targets of strong criticism in a recent meeting of labor unionists and intellectuals held in Ho Chi Minh City.

Vice Premier Vo Nguyen Giap reportedly told a meeting of cadres of the Communist Youth League on Thursday that the inclination to a multiparty system was also evident among young communist leaders.

The spokesman of the Vietnamese Foreign Ministry suggested for the first time to foreign reporters the same day that Vietnam has no intention of amending the Constitution which gives exclusive power to the Communist Party. The spokesman said no political power existed so far which is capable of leading the nation except the Communist Party.

According to the informed sources, Bach is now attending a Politburo meeting in Ho Chi Minh City. Eastern bloc diplomatic sources in Hanoi said they believed that Bach faces strong criticism by General Secretary Nguyen Van Linh and other key party figures in the meeting. But they also said Bach has strong supporters in and outside the party, and it is therefore not certain whether Bach will be forced to step down from the Politburo in the upcoming party Central Committee meeting.

Further Coverage of Spokeswoman on Cambodia

BK1502132390 Hanoi Domestic Service in Vietnamese
1100 GMT 15 Dec 90

[Text] Ho The Lan, spokeswoman for the SRV Ministry of Foreign Affairs, held a regular news conference in Hanoi on the afternoon of 15 February. A large number of local and foreign news agency, press, radio, and television correspondents attended.

Answering BTA, PAP, and AKAHATA correspondents' questions about Vietnam's viewpoint on the upcoming Jakarta informal meeting, the Vietnamese Foreign Ministry's spokeswoman said: The international conference on Cambodia held in Paris failed to achieve a solution because it faced a deadlock on two issues related to the internal affairs of Cambodia, namely the sharing of power in the very short transition period in Cambodia and the role of the United Nations in seeking a solution to the Cambodian issue. The goodwill attitude of the State of Cambodia Government, shown in its readiness to consider the initiative advanced by Australia concerning the UN role, has been acclaimed by many countries; it has created an opportunity for these two problems to be overcome and to brush aside the question of abolishing the two governments and setting up a coalition government comprising all the Cambodian parties prior to a general election. At the recent conference of Cambodian, Lao, and Vietnamese deputy foreign ministers, the participants agreed to let the United Nations—on the basis of total respect for Cambodia's independence and sovereignty—play an effective role in organizing general elections simultaneously with the vacating of the Cambodian seat at the United Nations.

Against this background, the upcoming Jakarta informal meeting should directly delve into two long-term and basic issues bearing on Cambodia's political future and regional peace and stability, thereby creating conditions for the Cambodian people to exercise their right to self-determination and preventing the Khmer Rouge from restoring their genocidal regime in Cambodia. These two issues are: organizing free, democratic, and fair general elections, and establishing Cambodia's neutrality and setting up a zone of peace, neutrality, and cooperation in Southeast Asia guaranteed by the Paris international conference and the United Nations. Importance must be attached to the role of the region in the quest for a fair and reasonable political solution to the Cambodian issue. Cambodia, Laos, and Vietnam shall do their utmost to make the Jakarta informal meeting a success, and they hope that the other participating countries will do the same—in the legitimate interests of the Cambodian people and those of all countries in the region, and in response to the aspirations of the world people.

In connection with the conference of the three deputy foreign ministers of Cambodia, Laos, and Vietnam, the APN correspondent asked: According to the 12 February 1990 edition of NHAN DAN, the conference of deputy

foreign ministers of Cambodia, Laos, and Vietnam welcomed the efforts and initiatives of various countries aimed at seeking a political solution to the Cambodian issue. Especially Australia's initiative has advocated setting aside the temporary questions of dissolving the two governments and setting up a coalition government made up of all Cambodian parties concerned in anticipation of the general election. How should these questions be understood? Does Mr. Hun Sen agree to dissolve his government? We know some foreign news agencies and newspapers have reported that Vietnam and Cambodia have agreed to dissolving the Government of the State of Cambodia and the tripartite coalition government.

On the basis of these news reports, the XINHUA correspondent asked: Could you let us know Vietnam's official stance on this issue and the UN role in a Cambodian solution?

The spokesman replied: We think that our earlier answer has already covered what you, friend, want to know. However, we still want to emphasize here that the news about Vietnam agreeing to dissolve the Government of the State of Cambodia is groundless. We have time and again clearly stated that the internal affairs of Cambodia must be solved by the Cambodian people themselves. All countries must respect the right to self-determination of the Cambodian people. Moreover, the United Nations is given some authority during the transitional period, especially to oversee the implementation of various agreements signed and the holding of a free, democratic, and just general election, because the governments concerned have failed to agree on a provisional structure of power for the transitional period.

The United Nations must respect the sovereignty of Cambodia and must not dissolve the two governments in Cambodia in order to take over their rule. The existence of the two administrations is necessary for managing and maintaining normal life and law and order for the Cambodian people in areas under their control. Presently, the State of Cambodia is the only force capable of preventing the reestablishment of the genocidal regime in Cambodia. Dissolving the Government of the State of Cambodia will create turmoil and conditions for the Khmer Rouge to reinstall its genocidal regime in that country.

Envoy Denies Dismantling of Phnom Penh Regime

BK1502103190 Jakarta ANTARA in English 1006 GMT 15 Feb 90

[Text] Jakarta, Feb 15 (OANA/ANTARA)—Foreign news reports saying that Vietnam, Laos and Kampuchea have agreed to dissolve Kampuchea's Phnom Penh government and the three-party resistance coalition before holding UN-supervised general elections are untrue, a Vietnamese Embassy spokesman here said Thursday [15 February].

Pham Cong Hang, third secretary for press and culture at the embassy, told ANTARA the reports must have been based on a misunderstanding of the joint communique issued by the three countries in Phnom Penh on Sunday [11 February].

Pham said the actual statement of the conference of the deputy foreign ministers of the three Indochinese countries in Phnom Penh, which was quoted in the foreign news reports, was as follows:

"The conference welcomed the efforts and initiatives of various countries aimed at finding a political solution to the Cambodia problem, especially the Australian proposal which puts aside the temporary problems such as the dismantling of the two governments and the formation of a coalition government consisting of the Cambodian parties ahead of the general elections."

As to the imminent informal meeting in Jakarta on Cambodia, Pham said Vietnam welcomes the event and will take part in it.

Hanoi To Focus on Elections in Jakarta Talks

BK1602041590 Bangkok BANGKOK POST in English 16 Feb 90 p 10

[Text] Vietnam plans to change its strategy in upcoming talks on Cambodia to focus on holding fair elections rather than the divisive question of power-sharing in an interim government, a senior Vietnamese diplomat said yesterday.

Cambodian resistance leader Prince Norodom Sihanouk, however, told UPI the positions of the two sides were still too far apart to hope for a rapid solution to the 11-year-old conflict at the talks set for February 26-28.

"In Jakarta the efforts of our delegation will focus on implementing a fair and free democratic election for Cambodia," said Nguyen Trung, Vietnamese ambassador to Thailand, in a briefing for reporters at the Foreign Correspondents Club of Thailand.

"This new approach is very important to avoid the painful experience of the Paris talks in August," Trung said. He said the August talks foundered on the question of establishing a four-party interim government to supervise elections.

Radio Wants U.S. Troops Withdrawn From Panama

BK1602041690 Hanoi International Service in English 1000 GMT 15 Feb 90

[Text] U.S. Ambassador to Panama Deane Hinton has declared that the U.S. will not withdraw its troops from Panama as long as the police and Army of that country have not completed their reorganization. The U.S. ambassador also said the United States was acting on the request of the new U.S.-backed government led by Guillermo Endara. In this connection, the Voice of Vietnam has this comment:

First of all, this is a brazen challenge to Panama and the world public as a whole. It demonstrates a long-term U.S. scheme to perpetuate the occupation of this sovereign state. By continuing to station U.S. troops here, Washington attempts not to abide by its commitment to return the Canal Zone's sovereignty on 31 December 1999 as stipulated under the 1977 Torrijos-Carter Treaty.

It is recalled that over the past 70 years, Washington has been netting an annual income of hundreds of million dollars from the canal. Their occupation of the canal will enable the United States to control the Caribbean. Angered by the struggle of the Panamanians for sovereignty over the canal, Washington has left no stone unturned to quell the popular struggle. The U.S. measures include political assassination, bribery, and economic sanctions, and the climax of the U.S. interventionist policy came on 20 December last year with the invasion of Panama.

The invasion, conducted in defiance of international law, has come under strong public fire. Under public pressure, the United States is compelled to make a symbolic withdrawal of its occupational troops sent during the invasion. This invasion left grave consequences in Panama. According to a recent investigation, from 3,000 to 5,000 Panamanian people, mostly civilians, were killed and about 90,000 others rendered homeless during the U.S. invasion. Ms. Gabriella Granma, executive director of the committee for investigation into the invasion recently set up in New York, said that [words indistinct] war aftermath in Panama are not only estimated in terms of civilian casualties but also economic crisis and violations of human rights.

Meanwhile, former U.S. Attorney General Ramsey Clark, member of this committee, concluded that U.S. activities during and after the invasion cannot be justified by the U.S. Constitution as well as any norms on international law. The statement by the U.S. ambassador to Panama that U.S. troops will not be withdrawn from Panama only aggravated tension created in Panama since the invasion. This statement does not conform to the present international trend, which is to settle all conflicts through peaceful negotiations.

The Vietnamese people as well as the world progressive people condemn the U.S. scheme to prolong its occupation in Panama and demand an early and unconditional withdrawal of all U.S. troops from Panama and respect for the independence and sovereignty of this Central American country.

Army Paper Hails Communist Party Leadership

*BK0502062390 Hanoi Domestic Service in Vietnamese
1430 GMT 3 Feb 90*

[Text] To mark the Communist Party of Vietnam 60th founding anniversary, QUAN DOI NHAN DAN today, 3 February, carries an editorial entitled: "The Party's Great Cause is the Undertaking of All the People." After

reviewing the historic events in the 60-year struggle of the Communist party of Vietnam [CPV] and the people, the editorial says:

The 60-year struggle is an immortal epic of the oppressed people who rose up to carry out the revolution along with the experienced staff of the proletarian class—the vanguard revolutionary party of the Vietnamese people [the Communist Party of Vietnam] armed with the Marxist-Leninist doctrine—to fight for the interests of the Vietnamese nation. The party shared weal and woe with the people who supported and made it strong, and the party was able to harmoniously combine the strength of the nation with that of the era.

All victories achieved in each revolutionary stage of the present era were closely linked to the effective assistance provided by fraternal countries and friends around the world. However, the most decisive factor for all victories of the Vietnamese revolution rested with the CPV leadership.

The great victories achieved by our nation's revolution during the past 60 years have provided our entire party, people, and armed forces with a valuable lesson: We can overcome all obstacles and dangerous ordeals if the party entrusts the people and takes them as a base while the people have confidence in the party and follow its leadership. The editorial further says:

The revolutionary cause is advancing. While having great achievements and enjoying favorable conditions, we are facing numerous difficulties, some of which are very serious indeed. However, our people and armed forces place their firm confidence in the party and the nation's renovation cause. To enhance the party leadership and strengthen the people's confidence, the party must, first of all, revamp itself by making all its organs pure, healthy, and united. To help strengthen the party leadership, it is necessary for all party members at all levels to do their utmost to enhance their capabilities while striving to practice diligence, thrift, honesty, and righteousness; opposing bureaucratism; and stopping to seek out self-interest. Each party member must be an exemplary person both in thought and action in his daily life. Exemplary party members can spontaneously, and vigorously motivate the people to follow in their footsteps. In the situation in which the party leads and the people fight for the revolutionary cause, it is vital to strengthen the flesh and blood relationship between the party and the masses. It is necessary to make the party a progressive organ of the working class to win love and support from the people. The party cause must be the cause of all people; the party wisdom and the people's support are the fine tradition of our party and people. Such practices as bureaucratism, standing aloof from the people, and refusing to improve their daily life are acts running counter to the party tradition. The party leads the revolution and the masses to bring into full play the power, potential, intellect, and creativity of the people to help them broaden democracy and exercise their right to

mastery so as to triumphantly fulfill the nation's revolutionary cause. The party has no intention whatsoever in arbitrarily usurping and suppressing the people.

The renovation cause requires the party to renovate various aspects as well as its leadership both in content and organization and method and form of activities. The party must strive to broaden democracy in all domains of social life, rely on the people, stay alert, and actively resolve all difficulties and issues arising in daily life, thus creating stability in society and further advancing the renovation cause.

Our people's armed forces are the political forces entrusted by the party and the people, thus serving as a firm pillar for the dictatorship of the proletariat. Party leadership is always the main factor determining all victories and ensuring maturity for our armed forces. Renovating the party leadership over the armed forces is a correct implementation of the party leadership mechanism in the people's army and the principle of the party's absolute, direct, and integrated leadership over all aspects of the army.

Satisfactorily implementing the party leadership mechanism in the army is the most important task to enhance the combat strength of our army at present. All basic party organizations, cadres, and party members must realize their responsibilities and do their utmost to strengthen the party organization's combat strength and leadership capability. Efforts should also be made to enhance the abilities of party members and cadres and to encourage them to set good examples in all aspects; to satisfactorily strengthen the close relationship between party members and the masses and between cadres and combatants; and to strive to create confidence, love, and unity among them while making every effort to build party organizations truly pure, firm, and strong to serve as a base for building comprehensively strong military units.

Army Papers Comment on Social Democratization

*BK1202152890 Hanoi Domestic Service in Vietnamese
1000 GMT 10 Feb 90*

[From the Daily Press Review for 10 February]

[Text] The paper QUAN DOI NHAN DAN today frontpages an article by Bui Dinh Nguyen entitled: "Democracy, The Right of All Citizens." The article says:

Under the beacon of the Sixth Communist Party of Vietnam Congress's resolution, social democratization has gradually been implemented in the renovation process. The concepts of taking the people as the root and letting the people know, discuss, do, and control have been extensively applied to all social activities. Until now, however, the general ideas and awareness showed at conference forums and on newspapers have not been uniformly asserted. There are still different expressions and understandings. Some said: The concept of letting

the people know, discuss, do, and control is a slogan; others argued that it is a position or a system; and different groups said: It is the right of citizens obtained through their struggles and sacrifices. These are different thoughts from various people's strata. It can be defined, however, that it is the right of all citizens, or in other words it is the right of the people who devote their lives to the party in the struggle to obtain such a right along with independence and freedom for the nation.

Nguyen Quyet Presides Over Political Conference

*BK1102093790 Hanoi Domestic Service in Vietnamese
2300 GMT 10 Feb 90*

[Text] The General Political Department has organized an all-army political conference to thoroughly discuss the resolution of the Military Commission of the Communist Party of Vietnam [CPV] Central Committee on 1990 national defense and its directive on party-building work, political education, and other major tasks for 1990.

In attendance were the comrade deputy political commissars, political directors, and cadres in charge of all-army propaganda, training, and organization. General Nguyen Quyet, secretary of the party Central Committee and director of the General Political Department, presided over the conference.

The conference devoted much of its time to discussing various issues in an enthusiastic and straightforward fashion. The participants expressed unanimity of mind with part of the Military Commission of the CPV Central Committee's evaluation report and made suggestions on other points that still need to be improved. The direct discussions between the chairman of the General Political Department and other participants took place in an open-minded atmosphere.

Government Makes Decree on SRV Nationality

*BK1202035590 Hanoi Domestic Service in Vietnamese
2300 GMT 11 Feb 90*

[Text] On 5 February 1990, the Council of Ministers issued a decree stipulating in detail implementation of the Vietnamese Nationality Law, composed of 14 articles.

Articles 1-6 clearly specify the legitimate rights of Overseas Vietnamese citizens—which are the benefits guaranteed by Vietnamese law and international treaties that have been signed by Vietnam and guaranteed by international law and customs, if these benefits do not conflict with the basic principles of Vietnamese law.

Articles 7-14 stipulate the procedures for settling nationality problems.

This decree is effective on the signing date. The foreign minister is responsible for guiding its implementation.

Symposium Held on People of Chinese Origin

*BK1102104790 Hanoi Domestic Service in Vietnamese
2300 GMT 10 Feb 90*

[Text] Recently, in Ho Chi Minh City, the central Mass Motivation Committee organized a scientific symposium on cultural and educational activities for compatriots of Chinese origin. Attending the symposium were representatives of various committees, sectors, mass organizations, the Vietnam Fatherland Front Central Committee, and cities and provinces having large populations of Chinese origin—such as Ho Chi Minh City and Hau Giang, Minh Hai, Dong Nai, Thuan Hai, and Quang Nam-Danang Provinces.

The 18 reports and suggestions made at the symposium have shed more light on various theoretical and practical issues aimed at creating conditions for compatriots of Chinese origin to preserve their own traits and at the same time to contribute to developing the common cultural heritage of the Vietnamese community, which comprises people of different nationalities.

1989 Tourist Receipts Increase 320 Percent

*BK1502164490 Hong Kong AFP in English 1636 GMT
15 Feb 90*

[Text] Hanoi, Feb 15 (AFP)—Vietnam's total receipts from tourism in 1989 were 320 percent up from the previous year, at 135 million U.S. dollars, the official NHAN DAN newspaper said here Thursday [15 February].

Tourist officials quoted by the Communist Party daily predicted another sharp increase in tourist arrivals in 1990, Vietnam's "tourism year," together with a growing number of overseas trips for Vietnamese.

The turnover of the Vietnamese tourism service "was 540 billion dong (135 million dollars) in 1989—350 billion in dong (83.3 million dollars), 45.8 million dollars and 2.9 million rubles (about 2 million dollars at the official exchange rate), a 3.2-fold increase over last year," the paper said.

This includes 16.7 billion dong (3.9 million dollars) paid into the state treasury, 2.4 million dollars of which was paid in dollars, the paper added.

In 1990, "the Tourism Department expects between 230,000 and 250,000 foreign tourists and between 700,000 and one million local tourists and to organize overseas trips for some 15,000 Vietnamese," it said.

Most tourists are Vietnamese who left the country legally or illegally and now live abroad, but are returning in increasing numbers to visit their families.

The Vietnamese authorities plan to build 13,500 new hotel rooms this year to cope with the influx of tourists, NHAN DAN said.

The Tourism Department also plans to ask Hanoi to upgrade transport, improve domestic and international telecommunications and restore key historical sites.

Sites the department wants restored include the Temple of Literature in Hanoi, the Forbidden City in the central coastal town of Hue and the network of tunnels built by the Viet Cong in southern Cu Chi, NHAN DAN said.

The paper said the growth of tourism is partly due to reduced "administrative difficulties (visa delays, improved customs formalities), the opening of new air routes, foreign cooperation and improved market research."

Vietnam has a wealth of attractions for tourists, with thousands of kilometres of wild coastline and beautiful sites such as northern Ha Long Bay.

However, it has a lot of ground to make up if it is to compete against its Southeast Asian neighbours, particularly in terms of hotel rooms and the road network. At the moment, for example, it takes at least four days to drive the 1,800 kilometres between Hanoi and Ho Chi Minh City in the South.

Ministers Interviewed on 1990 Production Plans

*BK0502075890 Hanoi VNA in English 0647 GMT
5 Feb 90*

[Text] Hanoi VNA Feb.5—In the first weeks of 1990, a correspondent of TUAN TIN TUC (NEWS WEEK) published by VIETNAM NEWS AGENCY, met with many ministers and other responsible persons of different branches of production or localities.

The following are excerpts from the interviews:

Nguyen Cong Tan, minister of agriculture and food industry: "This year rice remains the most important item of Vietnam's agriculture. To achieve the target of between 21.5-22 million tonnes of food set for 1990, food production will be vigorously boosted in all parts of the country, especially in the Mekong and Red River Deltas and other main rice-producing provinces. Along with food production, livestock breeding and cultivation of cash crops will be increased to satisfy the needs for home consumption and export."

Vu Ngoc Hai, minister of energy: "In 1990, we'll try to raise further our product quality while increasing production. Electricity output will increase by 17 percent and coal by 32 percent."

Nguyen Quyen Sinh, director of the General Department of Tourism: "This year, we have made everything ready to receive 200,000-250,000 foreign tourists and to cater to about one million tourists in the country as well as arranging a number of tours abroad for Vietnamese tourists. 1990 is the tourist year in Vietnam and also year for the entire Vietnamese tourist service to increase its professional standard. We hope it will mark a turning point in tourism in Vietnam."

Nguyen Ha Phan, chairman of the People's Committee of Hau Giang Province (South Vietnam): "We'll try to obtain 1.7-1.8 million tonnes of food this year compared to 1.6 million tonnes in 1989. If this can be done Hau Giang will play a significant part in stabilizing the socioeconomic situation in the country."

Vo Van Kiet Works With Steering Committees

*BK0902134890 Hanoi Domestic Service in Vietnamese
1100 GMT 7 Feb 90*

[Text] Comrade Vo Van Kiet, Political Bureau member and first vice-chairman of the Council of Ministers, recently worked in Ho Chi Minh City with the steering committees of the major grain-growing areas of Dong Thap Muoi, Long Xuyen quadrangular, and western Hau River to review the situation of socioeconomic development in these areas last year and to provide guidelines for 1990.

Leaders of the six provinces in these three areas and representatives of the Ministries of Water Conservancy, Agriculture and Food Industry, Construction, Energy, Communications and Transportation, Public Health, Labor and Social Welfare and Invalids, and the State Reserve Department participated in the working session.

Last year, the volume of grain production in the Mekong River Delta, including these three areas, reached 10 million tonnes or so. Despite drawbacks, this result asserts that the party organizations and people in the areas have struggled hard.

The effort exerted by the three steering committees and the use of a correct system have succeeded in combining the integrated strength of the people and the state, of the central and local sectors, and of all localities.

There have been many favorable conditions in grain production during the 10th-month and winter-spring crop seasons of 1990. Basically, we have fulfilled the requirements of plans. Authorities in provinces and cities should concentrate on providing guidance for the coming summer-fall production season. The state will issue policies on suitable prices for agricultural supplies, including the taxation policy, in order to encourage producers.

Local authorities should pay attention to providing favorable conditions for about 20 percent of poor peasants to engage in production.

Comrade Vo Van Kiet also mentioned questions concerning the quality of export rice, overseas markets, and plans to purchase all of the grain and goods from the people.

All sectors involved must direct their plans into good patterns to support the exploitation of these three economic zones in order to practically promote the development of production.

Council Chairman Decides To Protect Da River

*BK0902115190 Hanoi Domestic Service in Vietnamese
1100 GMT 8 Feb 90*

[Text] The Council of Ministers chairman recently decided to approve the zoning and planning of an area to build a system of forests to protect the Da River basin and the Hoa Binh hydroelectric power plant.

The decision stipulates that the region to be protected in the Da River basin involves 24 districts and towns in the provinces of Lai Chau, Son La, Hoang Lien Son, and Ha Son Binh, an area of 2.568 million hectares.

This zoned off region is to become protected forests in the watershed basin of the Da River portion on Vietnamese territory. This is to help protect the water source in the Hoa Binh reservoir, to improve the ecology, to protect the environment of the northwest, and to provide settlement areas for all nomadic nationalities and people who were affected by flooding from the building of the Hoa Binh reservoir.

The total natural area in the basin should be covered with trees, and the area of forests which will provide the protection covers 800,000 hectares.

The Council of Ministers chairman charges the forestry minister with the responsibility of coordinating with the state planning commission and other responsible sectors and localities to organize, study and formulate state programs for the overall socioeconomic development of the watershed Da river. His duties are to establish an investment project in the building of a critical economic protection zone along the banks of Hoa Binh reservoir and to make adequate preparations for starting the construction immediately in 1990. The investment project must achieve the aims of environmental protection, while keeping an eye on general business, cultivation, livestock raising, processing, and family-based economy oriented toward the economy of goods.

The building force is to comprise mainly of workers from local economic sectors. It is forbidden to interfere with the settlement of nomads and to dispute over ricefields and gardens. The state-owned forces will assume mainly the tasks of forest protection and management and technical services, and of building critical areas where local workers are not available.

Investments can be procured from many sources and under many forms, including foreign investments.

The forestry ministry has dispatched several teams of cadres led by Minister Phan Xuan Dot and Vice Minister Phan Thanh Xuan to various localities to survey and prepare for the start of the project in the near future.

National Rice Cultivation Progress Update

*BK1002150490 Hanoi Domestic Service in Vietnamese
1100 GMT 10 Feb 90*

[Text] According to a report by the Ministry of Agriculture and Food Products, as of 5 February the southern provinces had reaped more than 1.2 million hectares of 10th-month rice or over 80 percent of the cultivated area. Preliminary estimates given by the provinces show that the rice yield is fairly high.

To date the entire country has planted winter-spring rice on more than 1.5 million hectares or over 70 percent of the area plan, with the southern provinces accounting for more than 900,000 hectares or over 90 percent of the target.

In the north, after slowing down due to severe cold, the pace of 5th-month spring rice planting has picked up in recent days as the weather has become gradually warmer. To date over 500,000 hectares have been put under 5th-month spring rice, accounting for over 50 percent of the area plan. Although it has been very cold on some days, all localities have maintained a sufficient reserve of water to protect rice plants and seedlings from the cold; consequently, frost damage to the rice crop has been insignificant.

Department Reports Insect Situation Nationwide

*BK0902141490 Hanoi Domestic Service in Vietnamese
1430 GMT 6 Feb 90*

[Summary] According to the Vegetation Cultivation and Protection Department, rice blast, rice hispa, and rice caseworms are now developing vigorously in both the north and the south, thus causing harm to winter-spring rice. The infestation of these insects has increased considerably compared with the same period last year.

In the north, after several overcast, rainy days, rice blast appeared on large areas of rice planted with CR-203, 424, Nong Nghiep-8, and V-14 rice varieties as well as on areas of glutinous rice and green beans in Hai Hung, Haiphong, Ha Bac, Quang Binh, Quang Tri, and Nghe Tinh.

In the days ahead, the sky will remain overcast, and rice blast will continue harming rice. Meanwhile, rice hispa have appeared and caused widespread damage to rice in Hai Hung and Ha Bac.

In the south, rice caseworms have developed vigorously, causing harm to some 50,000 hectares of early winter-spring rice in almost all Mekong River Delta and central coastal provinces.

State Bank Director Issues New Interest Rates

*BK1002070890 Hanoi Domestic Service in Vietnamese
1100 GMT 9 Feb 90*

[Text] Pursuant to a decision by the Council of Ministers chairman on the adjustment of interest rates on monetary deposits into and loans from the State Bank, the

State Bank general director issued Decision No. 09-NHUD on 9 February 1990 specifying the following interest rates:

1. Fixed three-month deposits into saving accounts draw six percent each month while non-term deposits draw four percent.
2. The interest rates applied to economic organizations are 2.4 percent for fixed three-month deposits and 1.2 percent for non-term deposits.
3. The rates of interest on loans range from 2.5 to 3.6 percent.

These interest rates are effective 10 February 1990. The surplus of deposits and loans brought forward from the end of 9 February 1990 will also draw the new interest rates. Particularly, the surplus of fixed three-month deposits into saving accounts continue to draw seven percent interest until the expiration dates marked on the records.

Radio Comments on Rates

*BK1502075790 Hanoi International Service in English
1000 GMT 13 Feb 90*

[Text] The chairman of the Vietnamese Council of Ministers has decided to review interest rates on savings and state bank loans. As a result of this decision, creditors who have accounts at state banks now enjoy an interest rate of eight percent instead of seven percent previously. It is thought that this decision will encourage deposits in the state credit offices.

On the contrary, after Tet, the Lunar New Year festival in January [words indistinct] the Hanoi Bank received an amount of money double that of the previous period.

Vietnamese media has more than once analyzed this situation. The daily NHAN DAN frontpaged an article under the headline "A Heartening Phenomena of Cash." According to the newspaper, cash is no longer the worry of production and social life that it was in previous Tet festival. The paper considered this a sign of encouragement and a result of measures taken throughout the country. However, in 1989 the Vietnamese state still issued a large volume of banknotes. But this was not because of inflation as before. It was [word indistinct] to balance supply and demand and was an intelligent measure.

It was a surprise that after Tet there was no shortage of cash. Prices of gold, the dollar [currency not further specified], and consumer goods declined. This is a real encouragement to the Vietnamese working people.

Decision on Tax Exemption for School Products

*BK1002144590 Hanoi Domestic Service in Vietnamese
1000 GMT 9 Feb 90*

[From the press review for 9 February]

[Text] NHAN DAN reports that the chairman of the Council of Ministers has issued a decision on the tax policy toward productive labor at schools. The decision points out:

In order to promote productive labor carried out by colleges, vocational middle schools, and general education schools to generate additional income for the schools' operational funds, taxes and state revenue contributions are waived temporarily for the coming years on products produced by the schools with their own labor or through scientific research to improve the living conditions and support academic, scholastic, and scientific study activities. Goods imported for the purpose of directly supporting academic, scholastic, and scientific research activities by the schools are exempt from taxation. If export and import activities are of a normal production and business nature, taxes shall be paid in accordance with the current system.

Production and service establishments which operate on the basis of economic accountability and which are directly subordinate to the Ministry of Higher and Vocational Middle Schools and the Ministry of Education are required to pay taxes in accordance with the current system.

This decision is effective 1 January 1990. All regulations contradictory to this decision are null and void.

Army Cultural Units Discuss Program for Plenum

*BK1602092390 Hanoi Domestic Service in Vietnamese
1430 GMT 15 Feb 90*

[Text] On 14 February, the General Political Department of the Vietnam People's Army held a meeting of army cultural, artistic, literary, and press units to discuss and contribute opinions to the program for the Eighth Plenum of the party Central Committee.

Most of the opinions noted that the party Central Committee's decision to publicize the program to solicit public opinion far and wide showed that the party correctly realized the great importance of the matter and its deep significance in the current situation. This was a new way of doing things which had a beneficial impact and reflected the spirit of renovation.

Touching on the party's viewpoints on mass motivation work in the new situation, some cadres in charge of cultural management held that it is necessary to fully develop the viewpoint of considering the people as the roots and thoroughly implement this concept in the party's theoretical and practical work. Many opinions focused on the question of realizing broad democracy and closely linking democracy with law. Numerous suggestions urged the party to effect uniform changes in the mass organizations such as the Ho Chi Minh Communist Youth Union, the Vietnam Women's Union, the Confederation of Vietnamese Workers, and the Fatherland Front so that these organizations may operate efficiently, develop their usefulness, and truly serve as a rallying point of the masses.

Australia

Hawke Announces 24 March General Elections

BK1602004290 Hong Kong AFP in English 2325 GMT
15 Feb 90

[Text] Canberra, Feb 16 (AFP)—Prime Minister Bob Hawke on Friday called general elections for March 24 in a bid for a record fourth term in office. The announcement ended days of feverish speculation on the timing of a general poll, which had been due by May.

The labor government had been encouraged to move up the election date following recent signs that Canberra's tight monetary policies were bearing fruit and Australia's overheated economy cooling off. The labor party was also eager to capitalize on disarray among its conservative rivals, who are reeling from confusion over their policies and other political mishaps.

The final push appeared to have been given after opposition leader Andrew Peacock sacked his Senate deputy leader, Austin Lewis, on Wednesday for some blunt televised remarks on the conservative leadership.

Mr. Hawke, 60, a former trade union leader, is seeking another three-year lease on the office he first won in 1983. He was re-elected in 1985 and 1987.

The prime minister said Australians would vote March 24 for the full 148-member House of Representatives, the powerful lower house where labor holds about a three-fifths majority.

They will also cast ballots for about half the 76-member Senate, where labor does not have a majority and the middle-of-the-road Australian democrats hold the balance of power.

The announcement left 36 days for campaigning, just above the minimum 33. But Mr. Hawke said he and the country could not have stood three months of electioneering until May. "We would have collectively gone bonkers," he told a news conference after obtaining approval for the March 24 date from Governor General Bill Hayden.

Mr. Hawke wasted no time in going on the attack against the conservative coalition of the Liberal and National Parties, saying they represented "entrenched privilege" and "blinkered ideology."

He lambasted their "hastily cobbled together" industrial relations program and the "unbelievable health fiasco" following the conservatives' acknowledgement of problems in their policies.

"We can as a nation make the choice to continue on the path of steady growth, or under the conservatives we can choose to foresake the future in a traumatic rerun of the late 70's and early 80's," Mr. Hawke said.

In what is likely to be a recurring theme of his campaign, Mr. Hawke also took a swipe at the constant bickering in the conservatives' camp.

"If you can't govern yourself, you can't govern the country," he said.

The prime minister conceded that Australians had suffered under interest rates kept high by Canberra in an effort to bring down inflation and narrow a yawning trade deficit.

But he added, "there are no easy solutions. What there is is the promise that with a continuation of sensible policies and committed hard work, that national and individual economic conditions will continue gradually to improve."

Mr. Hawke said he was confident of victory on March 24, though not complacent.

"The conditions are there for an improvement in our majority," he said. "We're going to have to fight hard, work hard."

Although speculation has persisted that he would give way to Treasurer Paul Keating or another labor stalwart after the election, Mr. Hawke said he planned to stay on as prime minister for a full fourth term. He said he intended to lead his party into another election and step down during his fifth period of government.

The prime minister confirmed that the government had been negotiating with trade unions on taxes and that Mr. Keating would make an announcement soon on possible tax cuts.

Mr. Hawke's announcement of the election date had an immediate impact on the money market, where the Australian dollar jumped to 75.42 U.S. cents after opening the day at 75.07 U.S. cents.